SENATE

MONDAY, JUNE 10, 1935

(Legislative day of Monday, May 13, 1935)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 7, 1935, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lonergan	Radcliffe
Ashurst	Costigan	Long	Reynolds
Austin	Couzens	McAdoo	Schall
Bachman	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Stelwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Gore	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	Nye	Wheeler
Chavez	Johnson	O'Mahoney	White
Clark	Keyes	Overton	
Connally	King	Pittman	
Coolidge	La Follette	Pope	

Mr. BARKLEY. I announce that the Senator from North Carolina [Mr. BAILEY], the Senator from Mississippi [Mr. BILBO], the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the Senator from Virginia [Mr. GLASS], the Senator from Kentucky [Mr. LOGAN], the Senator from Arkansas [Mr. ROBINSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. TRUMAN], and the Senator from Massachusetts [Mr. WALSH] are unavoidably detained from the Senate.

Mr. DIETERICH. I desire to announce that my colleague [Mr. LEWIS] is necessarily detained from the Senate on official business.

Mr. AUSTIN. I announce that the Senator from Pennsylvania [Mr. DAVIS] is absent because of illness, and that the Senator from New Jersey [Mr. BARBOUR] and the Senator from Iowa [Mr. DICKINSON] are necessarily detained from the Senate.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Eighty-one Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the House had passed the joint resolution (S. J. Res. 113) to extend until April 1, 1936, the provisions of title I of the National Industrial Recovery Act, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

H. R. 3973. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 288. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes.

MEMORIAL PARK AT KENNESAW MOUNTAIN, GA.

Mr. SHEPPARD. I submit a conference report for publication in the RECORD, and shall call it up at a later date.

The report was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 59) to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

MORRIS SHEPPARD,
DUNCAN U. FLETCHER,
ROBERT D. CAREY,
Managers on the part of the Senate.

JOHN J. MCSWAIN,
LISTER HILL,
HARRY C. RANSLEY,
Managers on the part of the House.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Thomas Pisarick, of Vandergrift, Pa., praying for the enactment of House bill 8163, the so-called "Kerr bill", pertaining to the deportation of aliens, which was referred to the Committee on Immigration.

He also laid before the Senate a letter in the nature of a petition from Fernando Calpofro, Manila, P. I., praying for the enactment of pending legislation for the benefit of veterans of the Spanish War, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from Local Union No. 511, United Brick and Clay Workers of America, Aden, Ky., praying for the enactment of the so-called "Wagner labor-disputes bill", and the extension of the National Industrial Recovery Act, which was ordered to lie on the table.

He also laid before the Senate the petition of Joseph Favanese, a member of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express, and Station Employees (no address given), praying for the enactment of pending legislation extending the Emergency Railroad Transportation Act for 1 year, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a memorial from a citizen of the State of Connecticut, remonstrating against the enactment of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes, which was ordered to lie on the table.

THE GERMAN DOLLAR-BOND SITUATION

Mr. FLETCHER presented a letter from J. R. McIntosh, of the American Council of Foreign Bondholders, New York City, N. Y., enclosing a bulletin entitled "The German Dollar-Bond Situation to Date", which, with the accompanying paper, was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

AMERICAN COUNCIL OF FOREIGN BONDHOLDERS, INC.,
New York City, June 6, 1935.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

MY DEAR SENATOR FLETCHER: I am enclosing a copy of the latest bulletin of the American Council of Foreign Bondholders. I realize that with your multitudinous duties it is not possible for you to read all of these studies, but I wanted to especially call your attention to the attached, which I believe will be of interest.

Assuring you of our cooperation, I remain,

Very truly yours,

J. R. MCINTOSH.

THE GERMAN DOLLAR-BOND SITUATION TO DATE

The experience of American investors, institutions as well as individuals, with Germany in German securities is unique in the history of finance. Immediately after the war the campaign began with the sale in this country of German Government, state, mu-

nicipal, and corporate loans payable in marks. The metallic cover for Germany's currency disappeared, with the result that the mark steadily declined until it ultimately reached an infinitesimal fraction of its original value. Whereas prior to the war it was possible to buy $1 with 4.2 marks, at the height of Germany's inflation it required four trillion two hundred billion to purchase one American dollar.

As the mark declined in value, issues payable in marks deteriorated—in theory, at least—correspondingly. This, however, did not discourage a new flock of so-called "dealers" and German "bond specialists" from foistering literally tons of German paper upon the American public. The argument was advanced that Germany, the land of art and science, etc., was bound to come back and that, even if the currency would not regain its original value of about 24 cents, only a very small advance would yield spectacular profits. You probably recall the feverish haste with which Germany turned out bonds and currency in those days, largely for sale in foreign countries, particularly the United States. Those obligations are said to have cost American investors (the euphemism is used advisedly) at least $2,500,000,000.

The virtual disappearance of the mark and the complete collapse of prices of German mark obligations meant that the above sum was irretrievably lost; but here is where German ingenuity came into play. When bonds had reached purely nominal prices (a million marks par value could be purchased for about a dollar), it was intimated from semiofficial sources in Germany that outstanding mark obligations would under no circumstances be revalued. In fact, the Reichsbank issued a special historic document which purported to prove that historically there was no basis for revaluation of bonds which depreciated in value as a result of the deterioration of the currency in which such bonds were payable. Soon after that bonds available at purely nominal prices began to be repurchased by Germany. After all, or virtually all, of the bonds placed here had found their way back, the German Government passed what is known as the "Revaluation Law of 1925" revaluing outstanding mark issues at from 3½ to 25 percent of the gold mark value. In this way the Germans benefited twice; the first time from the sale of bonds at fairly good prices; and, secondly, from the revaluation of bonds acquired for practically nothing.

Americans who felt the loss in their German investments (sic) rather keenly were, of course, unwilling to stake any more funds in Germany regardless of whatever safeguards such new investments might be given. At this time the great offensive began. The Dawes Commission started to function; journalists the world over began to discuss the remarkable recuperative powers of the reich. The Dawes loan was launched under the most unusual circumstances and under the most favorable auspices. The attitude of the American public was changed, thanks to the aid given by the underwriters of German issues. Before long Germany became a preferred risk. American bankers flocked to Germany and pleaded with various corporations and municipalities there to borrow our money. The influx of foreign capital was so great that a good deal of the money obtained was diverted into distinctly nonproductive channels. The service on existing debts was met promptly and faithfully, largely because of the ease with which new loans were forthcoming.

When the debt had reached fairly sizeable proportions, the Germans reverted to their old ideas about meeting payment. Rumors, purporting to come from well-informed quarters in Germany, began to speak seriously about the imminent default on all German bonds. This happened early in 1932. Frightened American holders readily parted with their investments, for which they had paid approximately 100 cents on the dollar and for which they now obtained anywhere from 10 to 20 cents on the dollar. A few examples will illustrate this point.

The United Steel Works of Germany 6½-percent bonds offered in the American market to the extent of $30,000,000 at 98½, declined to a low of 10½ percent. At this figure it is safe to assume that Americans were not interested in the bonds. Heavy German buying took place between this figure and 25. When the bonds once again reached the 60's, Americans became enthusiastic about them and repurchased them.

The Goodhope Steel Co., another important German industrial corporation, sold an issue of bonds in the American market in 1925 to the extent of $10,000,000 at 91. In 1932 the bonds sold as low as 16½.

The Free State of Prussia 6s of 1952 were sold in 1927 to the extent of $30,000,000 at 96½. In 1932 the bonds declined as low as 16½.

The North German Lloyd 6s were sold in 1927 to the extent of $20,000,000 and declined in 1932 to less than 20, compared with an offering price of 94.

What is true of the above bonds is true of virtually all other German obligations. In this way, out of a total of approximately $1,100,000,000 of German bonds, $450,000,000 par value are conservatively estimated to have been repurchased for or on behalf of German interests.

Almost immediately after the advent to power of the present German Government a decree was passed under date of June 9, 1933, providing for the suspension of payments on dollar obligations. Debtors were asked instead to deposit native currency to the credit of bondholders for transfer to them when conditions would allow—that is to say, when Dr. Schacht would permit. Incidentally it was the same Dr. Schacht who was identified with the deterioration of the German currency which cost American investors $2,500,000,000. Following the enactment of the June decree, Dr. Schacht modified the provision somewhat and allowed the payment of interest in cash at the rate of 50 percent, giving for the balance so-called "blocked marks" which he made the Government repurchase at 52 percent of the face value. In this way the American holders of German bonds obtained for their interest due the second half of 1933 somewhere between 75 and 85 percent of the face amount; in other words, a figure not very much below the sum stipulated in the coupon.

Here one may question Germany's sincerity in connection with her plea of a scarcity of foreign exchange. The amount of money involved in connection with the arrangement of payment for 1933, the issuance of blocked marks, the employment of lawyers, accountants, etc., trips by experts on both sides of the Atlantic back and forth, the time element, and numerous other factors suggest that if these could have been eliminated Germany could have paid a very much larger sum in foreign exchange.

The question then arose with respect to payments due in the first half of 1934. A prominent organization formed to protect bondholders, and supported largely by contributions made by the houses which sold foreign bonds, suddenly showed interest in American holders of German obligations. A delegation was sent to Germany to discuss the nature of payment. An agreement was reported to have been reached, and upon the return of the delegation from Germany, the then president of the organization announced enthusiastically that the arrangements reached by his body would mean that American holders of German bonds would receive $3,000,000 more than would have been received if the old arrangement—that is, the one covering the second half of 1933—had remained in force.

The new arrangement, which was to become effective as from January 1, 1934, provided for the payment of interest at the rate of 30 percent in cash and 70 percent in blocked marks, which the Government would repurchase at 67 percent of the face amount. More than a year has elapsed since the above agreement was said to have been put through, and it is only now that American holders can obtain the 30 percent cash, but the German Government has in the meantime canceled its promise to redeem the blocked marks at 67 percent or any other figure.

The curious thing, however, is this: At the time the interests of the American bondholders were being discussed the German Government negotiated with holders of so-called "short-term credits"; that is, in some cases the very financial interests which sold bonds to the public. The bankers made a far better deal. They continued to receive the interest on their credits and even amortization. One of the institutions, a well-known bank, has succeeded in cutting its credits to Germany more than 50 percent.

Another very curious thing is the case of the North German Lloyd Co. Here is a bond issue sold to the American people to the amount of $20,000,000 for the purpose of enabling the company to build the *Europa* and the *Bremen*. In the prospectus descriptive of the bond issue it was stated emphatically that the bulk of the income of the company was in dollars and in sterling, "thus automatically providing the necessary foreign exchange to meet the company's foreign commitments." This clause was undoubtedly put in in order to destroy the feeling in the minds of people relative to possible exchange problems which Germany might face.

Some time in 1933 the company, together with the bankers and presumably the attorneys, submitted a plan of reorganization asking the bondholders, in view of exchange difficulties which Germany faced and bad earnings of the steamship companies, to accept 4 percent instead of 6 percent. An American bondholder brought suit against the company for the interest due November 1933. The suit was tried in the municipal court, ninth district, and as attorney for the company in the suit was the same law firm which was accompanying the American delegation to Germany to discuss the rights and act on behalf of American holders of German bonds. The bondholder won the suit and the company was asked to pay interest in full, plus court expenses. Other bondholders attempted to collect the interest in full, and it is known on excellent authority that, with respect to very many bonds, not only was the interest paid in full but a settlement was also made for the principal, in spite of the fact that it is not coming due until about 1947.

A prominent firm of New York attorneys has instituted a suit against the United Steel Works Corporation of Germany in connection with the failure of the latter to meet interest on dollar obligations. The corporation is doing a considerable export business with the United States and with other countries via the United States of America. For this purpose it always has fair-sized balances in this market, not only with the fiscal agents and/or the trustee for the loans but also with other financial institutions. These funds should, on careful analysis, be made available to holders of the corporations bonds, but, unfortunately, bondholders are not in a position to ascertain where balances are held and are, therefore, completely at the mercy of the institutions or other organizations affiliated directly or indirectly with the corporation.

The suit brought by the firm of attorneys referred to above is prompted by a desire to discover where the corporation's balances are held and to attach such balances for the benefit of creditors. Settlements of a somewhat similar nature are understood to have been effected in a number of cases. It will be recalled that an issue of the Saxon Public Works sold in the American market was not paid off at maturity, the company instead asking bondholders to agree to an extension of the maturity for a period of 5 years. A bondholder instituted suit against the assets of the company held in this country by its present fiscal agent and a settlement is believed to have been made, whereby the bondholder obtained

payment in full, plus interest, at a time when the bonds were selling at a discount of approximately 60 percent.

Similar settlements have been made with respect to the unassented bonds of the North German Lloyd Co. It is known on good authority that the settlement reached in connection with the North German Lloyd issue was in the neighborhood of 90 percent for the bonds, plus interest at the full rate of 6 percent per annum since November 1933, when the bonds went into default. This figure compares with a price of about 45 percent for bonds which were deposited by holders under a so-called "deposit agreement" arranged by the corporation, presumably with the aid of the institutions identified with the origination and distribution of the loan in the American market.

The 6-percent bonds of the Gelsenkirchen Mining Co. are another case in point. What is difficult to explain is the indifference with which houses of issue, American financial institutions identified with German corporations, trustees and fiscal agents for German dollar debts, regard the status of American bondholders. Since the former are in touch with German debtors and are fully informed as to their financial standing in this country, they could, if they were desirous of aiding the bondholders, see to it that payment is made in full, at least on bonds of those corporations which have balances here. In this category probably could be placed inter alia the following: German General Electric, United Steel Works, North German Lloyd, Siemens-Halske, Leipzig Trade Fair, Goodhope Iron & Steel, Mansfeld Mining & Smelting, and United Industrial Corporation.

Another interesting case is that of the German Central Bank for Agriculture. The institution has outstanding in the American market four issues aggregating $54,240,000 of an original amount of $131,000,000. In other words, 58.60 percent of the original amount has already been retired or repatriated. In an advertisement in the New York press the corporation calls attention to its impressive earnings for 1934, with net profits aggregating reichsmarks 16,037,644, equivalent at prevailing officially quoted rates on Berlin to about $6,500,000, or about 12 percent on the dollar obligations of the institution. Inasmuch as the latter has been in default with respect to its commitments in the hands of American investors, the advertisement referred to is merely adding insult to injury.

AMERICAN COUNCIL OF FOREIGN BONDHOLDERS, INC.,
MAX WINKLER, *President*.

REPORTS OF COMMITTEES

Mr. BURKE, from the Committee on Claims, to which was referred the bill (S. 2464) for the relief of the Bell Oil & Gas Co., reported it with amendments and submitted a report (No. 839) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendments and submitted reports thereon:

H. R. 1119. A bill for the relief of Joseph W. Harley (Rept. No. 840); and

H. R. 1438. A bill for the relief of Carrie McIntyre (Rept. No. 841).

Mr. SHEPPARD also, from the Committee on Military Affairs, to which was referred the bill (H. R. 617) to correct the military record of Lake B. Morrison, reported it with an amendment and submitted a report (No. 842) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 4827. A bill for the relief of Don C. Fees (Rept. No. 843); and

H. R. 4828. A bill for the relief of John L. Summers, disbursing clerk, Treasury Department, and for other purposes (Rept. No. 844).

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 2351) to amend section 66 of the Judicial Code to provide for the enforcement of the lien of State and local taxes against property in the possession of receivers and other officers of the United States courts without leave of such courts, reported it with an amendment and submitted a report (No. 845) thereon.

He also, from the same committee, to which was referred the bill (S. 2524) amending section 112 of the United States Code, annotated (title 28; subtitle "Civil suits; where to be brought"), reported it without amendment.

Mr. AUSTIN, from the Committee on Immigration, to which was referred the bill (H. R. 2739) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, reported it with an amendment and submitted a report (No. 846) thereon.

Mr. COPELAND, from the Committee on Immigration, to which was referred the bill (S. 2912) to repatriate native-born women who have heretofore lost their citizenship by marriage to an alien, and for other purposes, reported it with an amendment and submitted a report (No. 847) thereon.

Mr. SCHALL, from the Committee on Indian Affairs, to which was referred the bill (H. R. 4123) providing for the payment of $15 to each enrolled Chippewa Indian of the Red Lake Band of Minnesota from the timber funds standing to their credit in the Treasury of the United States, reported it without amendment and submitted a report (No. 848) thereon.

HEARINGS BEFORE THE COMMITTEE ON PATENTS

Mr. BYRNES. From the Committee to Audit and Control the Contingent Expenses of the Senate, I report back favorably, without amendment, Senate Resolution 127, and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. 127) submitted by Mr. McADOO on May 3, 1935, was read, considered, and agreed to, as follows:

Resolved, That the Committee on Patents, or any subcommittee thereof, hereby is authorized during the Seventy-fourth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had on any subject before said committee, the expense thereof to be paid from the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

HEARINGS BEFORE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Mr. BYRNES. From the Committee to Audit and Control I report back favorably, without amendment, Senate Resolution 135 and ask unanimous consent for its present consideration.

There being no objection, the resolution (S. Res. 135) submitted by Mr. LEWIS on May 13, 1935, was read, considered, and agreed to, as follows:

Resolved, That the Committee on Expenditures in the Executive Departments, or any subcommittee thereof, is authorized, during the Seventy-fourth Congress, to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had on any subject before said committee, the expense thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 7th instant that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 41. An act for the relief of the Germania Catering Co., Inc.;

S. 42. An act for the relief of Emmett C. Noxon;

S. 416. An act for the relief of Las Vegas Hospital Association, Las Vegas, Nev.;

S. 557. An act for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department;

S. 581. An act for the relief of Harold E. Seavey;

S. 927. An act to amend the act entitled "An act to give war-time rank to retired officers and former officers of the Army, Navy, Marine Corps, and/or Coast Guard of the United States", approved June 21, 1930, so as to give class B officers of the Army benefits of such act;

S. 1474. An act for the relief of Paul H. Creswell;

S. 2029. An act to authorize the naval and Marine Corps service of Army officers to be included in computing dates of retirement;

S. 2105. An act to provide for an additional number of cadets at the United States Military Academy, and for other purposes;

S. 2287. An act to authorize the crediting of service rendered by personnel (active or retired) subsequently to June

30, 1932, in the computation of their active or retired pay after June 30, 1935; and

S. J. Res. 92. Joint resolution making final disposition of records, files, and other property of the Federal Aviation Commission.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 3015) granting a pension to Carrie Taylor Shockley (with accompanying papers); to the Committee on Pensions.

By Mr. SCHWELLENBACH:

A bill (S. 3016) for the relief of E. Sullivan; and

A bill (S. 3017) for the relief of Sgt. Ceasar LaForge, United States Army, retired; to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 3018) to authorize the Secretary of War to acquire, by donation, land at Valparaiso, in Okaloosa County, Fla., for aviation field, military, or other public purposes; to the Committee on Military Affairs.

A bill (S. 3019) for the relief of Max Dole Gilfillan (with accompanying papers); to the Committee on Naval Affairs.

By Mr. NORBECK:

A bill (S. 3020) for the relief of A. E. Taplin (with accompanying papers); to the Committee on Indian Affairs.

By Mr. STEIWER:

A bill (S. 3021) granting a pension to Nellie M. Redington (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 3022) to provide a right-of-way; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3023) for the relief of Jane B. Smith and Dora D. Smith; and

A bill (S. 3024) for the relief of Booth & Co. Inc., a Delaware corporation; to the Committee on Claims.

A bill (S. 3025) to amend the act entitled "An act to provide compensation for disability or death resulting from injury to employees in certain employments in the District of Columbia, and for other purposes", approved May 17, 1928, and for other purposes; to the Committee on the District of Columbia.

A bill (S. 3026) granting double pension by reason of injury or disease to officers and enlisted men, and to their widows and dependents, whose death was due to service in line of duty; to the Committee on Pensions.

By Mr. BARKLEY:

A bill (S. 3028) granting a pension to Anna Krebs; to the Committee on Pensions.

By Mr. FLETCHER:

A joint resolution (S. J. Res. 146) to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended; to the Committee on Banking and Currency.

REGULATION OF AIR TRANSPORTATION

Mr. McCARRAN. Mr. President, I desire to introduce a bill to be entitled "An act to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes."

In keeping with the message of the President of the United States sent to Congress some few days ago, it will be necessary to have legislation bearing on this subject. There is today pending before the Committee on Interstate Commerce of the Senate a bill introduced by me which is not in keeping with the message of the President. The bill I now offer is a new measure designed to carry out some of the policies of the President with reference to aircraft and air transportation.

The VICE PRESIDENT. Without objection, the bill will be received and appropriately referred.

The bill (S. 3027) to amend the Interstate Commerce Act, as amended, by providing for the regulation of the transportation of passengers and property by aircraft in interstate and foreign commerce, and for other purposes, was read twice by its title and referred to the Committee on Interstate Commerce.

CHANGES OF REFERENCE

On motion of Mr. SHEPPARD, the Committee on Military Affairs was discharged from the further consideration of the following bills, and they were referred to the Committee on Public Lands and Surveys:

H. R. 3272. An act providing for the establishment of the General John J. Pershing National Military Park near Laclede, in Linn County, Mo.; and

H. R. 4507. An act to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Park, and for other purposes.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—AMENDMENTS

Mr. JOHNSON and Mr. GORE each submitted an amendment, and Mr. CONNALLY submitted two amendments, intended to be proposed by them, respectively, to Senate bill 2796, the so-called "Public Utility Act of 1935", which were severally ordered to lie on the table and to be printed.

INCREASE OF INSURANCE SALES

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Washington Sunday Star of yesterday concerning the increase in the sale of insurance policies.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of June 9, 1935]

INSURANCE SALES STAGE SHARP RISE WITH SAVINGS—LIFE POLICIES IN CAPITAL UP 31 PERCENT OVER 1934 PERIOD—DEPOSITS ALSO REFLECT BUSINESS RECOVERY

Two of the best barometers picturing business swings and other economic conditions—life insurance and savings deposits—continue to reveal steady and impressive progress indicative of national recovery. Substantial advances in both new insurance and savings accounts, reported unofficially, back up the latest official compilations along these lines.

In the first 4 months of the present year new life insurance was 5.2 percent ahead of the similar period in 1934. During this same period Washington piled up a gain of 31 percent in insurance sales. In April alone new insurance written in the Capital was 35 percent ahead of the total for April, 1934.

The Life Insurance Sales Research Bureau, of Hartford, Conn., reports that there were approximately 115,000,000 life-insurance policies in force at the beginning of this year, the amount of insurance represented by these policies being approximately $98,000,000,000.

There was a 10-percent gain in the total amount of new insurance bought in the United States in 1934. People seeking better protection or investment for their funds put $14,000,000,000 into new policies during the 12 months. In the same period the insurance companies disbursed an aggregate sum of $2,700,000,000.

Insurance leaders, banking on constantly improving business conditions, predict that the present year will see last year's total well exceeded. This claim is partly based on the national aggregate gain of more than 5 percent in the first 4 months of the year. Figures for the Capital are almost certain to surpass last year by a sweeping margin.

During the special insurance week drive concluded a few days ago, Washington agents obtained 1,701 applications for $5,155,000 in new business, all previous records for a 6-day campaign being smashed. No such success in insurance sales had been attained in this city even before the Wall Street crash.

The same recovery trend is revealed in savings deposit increases. So far this year marked increases in bank deposits, including savings accounts, have been reported in most parts of the country. Official reports compiled by the American Bankers Association show that savings deposited in banks through savings accounts and time certificates gained 3.5 percent last year over the previous year, an increase of $742,132,000, when translated into figures, the first upturn since 1930.

Total savings depositors in the United States also gained in number, going from 39,262,442 in the previous year, to 39,562,174 last year, a gain of 299,732. Four years ago there was one depositor for each 2.3 persons in the United States. Now there is one account for each 3.2 persons.

The vitality of savings has proved truly remarkable. When it was disclosed that the savings of 9 years had been wiped out in 3,

there were those who said that is this era of plenty, savings were no longer an important factor, that they were unnecessary. Yet 12 months of stable banking and a slight turn in industry with expanding employment was reflected in increased savings and greater success in a return to thrift.

Total savings in the United States last year amounted to $21,867,666,000 divided among 39,562,174 savings depositors, or $173 per person as the national average and a gain of $5 per capita, or 3 percent over the previous year. Thus the tendency and the actual improvement are both significant, adding their value to other recovery indicators.

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES—ADDRESS BY SENATOR WHEELER

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a radio address delivered by the Senator from Montana [Mr. WHEELER] on Sunday, June 9, 1935, on the subject of the Wheeler-Rayburn public-utility holding companies bill.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The battle lines on the public-utility holding company bill are drawn. Tomorrow the Senate will vote upon this most important measure. I shall not detail the abuses at which this bill is directed. Utility witnesses admit their existence. They render lip service to the principle of regulation for control of such abuses. There is, therefore, no need to debate the need of complete Federal regulation. The question is, Shall we have real regulation or shall we enact a string of meaningless regulatory phrases? I speak for real regulation—not the kind which the past experience of local and State regulatory bodies has proved to be impotent.

The very heart of real regulation—a regulation which will work—is the so-called "elimination section", section 11 of the bill. Effective public regulation is a matter of human abilities—not of phrases in a statute. The man power of Federal commissions is no more superhuman than the man power of State commissions. No regulatory commission, Federal, State, or local, can successfully regulate corporations with resources of hundreds of millions or even billions of dollars. No commission can successfully stand up for any period of time against the pounding of batteries of the highest paid experts and lawyers in the country, the distrusts created by skillful propagandists, the frightened pressures of deluded, regimented investors, the subtle attempts to employ away the ablest personnel, the brazen corruption of political influence.

Nor can any commission even begin to formulate an intelligent scheme of regulation for utility-holding companies until holding-company systems and holding-company securities have been simplified so that men of ordinary intelligence and ordinary means of investigation can understand them. That's why one subsection of section 11 aims directly at the elimination of unnecessary intermediate companies and unnecessary securities complications. If you looked at a chart of the Associated Gas & Electric Co. system you would see nine layers of companies in that system. Associated Gas & Electric Co. itself has outstanding, or certainly has had until very recently, 35 different kinds of securities.

One of these securities issues was a bond convertible into stock not at the option of the holder of the bonds but at the option of the company. And the company had the nerve to exercise their option in 1932. The poor suckers who thought they had bought bonds then woke up to find they owned stock instead. Another one of those issues was a bond maturing, believe it or not, in 2875.

The very essence of a common-sense scheme of public regulation is, therefore, that the corporations to be regulated should not be permitted to reach a size and power and a complication where a Federal regulatory body can't be a match for them. These cold-blooded factors of man power and money power have made State regulation of utilities an admitted failure—and to speak bluntly, have in many cases already made comparable Federal regulation of other great corporations merely a shield behind which the supposedly regulated corporations can hide from public criticism rather than a sword with which Government can keep them from plundering the public.

Now, all that section 11 really does is attempt to whittle down the size and power and complication of these giant corporations until the Federal and State commission can be a match for them. It does not destroy holding companies. But it does say to them: "You've made so much trouble that if you're going to go on doing business in this country controlling legal monopolies which the public must be able to regulate, you've got to trim down to a size and power and structure where the public can cope with you."

I don't know whether you think that ought to be called "elimination." But I do know it is the very essence of a realistic approach to regulation. And the utilities know it, too. Naturally, they fight every word of every provision in this bill. But notice that their real fire has been concentrated not on the specific regulatory provisions but on this section 11. For they are realistic about themselves—and they know perfectly well that if they can remove from this bill any provisions to reduce them to a size and a power and simplicity which will make it humanly possible for a regulatory commission to handle them, the bill can contain all the words about regulation we choose to put into it and yet be nothing but a glorified scrap of paper. Let's not stick our head in a sand of regulatory words and miss the big realities.

With the help of this section 11 to press and to help the progressive elements in the industry into voluntary rearrangements of the holding-company systems until they are amenable to regulation, the more specific regulatory features of the bill have some chance to be effectively operative. Without section 11 they have no chance at all. The vote tomorrow on section 11 of the bill is the real vote on the whole bill.

I know that the propaganda of the utility crowd has worked, and that it has frightened investors in every phase of the utility business into thinking that this bill destroys their investments. It is hard to talk against the whirlwind, but tonight I'd like to do some common-sense talking to the investors in the public-utility business as to the relationship of this bill to their holdings.

Let's remember there are different classes of investors in the utility business. One important class is investors in operating-company securities. Holding companies have no assets except securities in operating companies. All security holdings of holding companies in operating companies constitute only from one-fifth to one-fourth of the independent investment of the public in operating securities. Why should these operating-company securities held by the public be hurt by legislation which forbids the holding companies to "milk" them? According to reports of the Federal Trade Commission, a company like Electric Bond & Share has made over 100-percent profit in 1 year on the so-called "services" it renders its subsidiaries—those same supervisory services which are supposed to be benefits the holding company brings to the operating company. Even when the operating companies are passing dividends on the preferred stock held by the public, they have to continue to pay these service profits to the holding companies, and continue to get those profits out of the consumers who pay power rates and the operating-company investors whose dividends are passed, and whose protective surpluses are depleted.

The representatives of the holding companies themselves have admitted before congressional committees that operating companies of any decent size—and those are the operating companies in which the public today has its big investment—don't need the services of holding companies. And this bill carefully provides that a group of operating companies can form mutual service companies of their own to bring them at cost all the advantages of large-scale buying and large-scale scientific research, which the holding companies pretend to provide at unconscionable profits to themselves.

Whenever I hear stories of the benefits of the holding company to the investor in operating companies, I remember a story about a thirsty tramp on a dusty road who came to a pump in a farm yard. He eagerly grabbed the pump handle and pumped and pumped and pumped. At the end of half an hour's pumping, there came a little trickle of water. But by that time he was so heated and weary from the pumping that he was thirstier than ever before. So he tried again and at the end of another half an hour, there came another little trickle of water. Just then the owner of the farm appeared. The tramp complained about the pump. "Oh", said the farmer, "you don't understand. My son works in Wall Street and he gave me a good Wall Street idea. You see those tanks up on top of that hill? This pump is arranged so that no one gets even a little drink out of it until he's first pumped a big tank full for me." If this bill passes, the investor in operating securities may be able to get a drink of dividends before pumping a tank full of service profits for a holding company.

Now let's look at the investor in holding-company securities. As I've pointed out before, this bill does not dissolve all the holding companies in the country. It simply says that by the end of 5, or 7 years from now, the biggest of them—those sprawling giants that serve no purpose in the operating utility industry, but are simply vehicles for high finance—have either got to turn themselves into investment trusts and stop actually controlling local operating companies or else rearrange themselves so that they serve a real purpose in helping operating companies operate more cheaply and more economically on a regional group basis. It says that these giant high-finance companies shall turn themselves into companies which really have something to do with the sound operating utility business on a basis where the public won't continually be suspicious of their power and their absentee management and continually demand municipal plants. It says that they've got to simplify their fantastic capital structures so that the public which buys securities can understand what it is buying.

Underneath all the technical arguments with which the holding company propagandists have deliberately confused you, there's just one big simple truth. The same holding-company managers who are asking investors in their securities to stick with those managers against the Government are the same holding-company managers who in the days gone by gave the public the worst trimming the public has ever taken. It is an old strategy of tyrants to persuade their victims to fight their battles for them. As my colleague, Senator BROWN, said the other day in the Senate, the holding-company bankers and managers have no more use for the present crop of widows and orphans, who happen to own their securities today or for the crop of widows and orphans who may own them tomorrow, than they had for the widows and orphans and scrub ladies they ruined in 1929.

Now, the investor's choice is simply this. Shall he accept the protection of that crowd of wolves in sheeps' clothing or accept the protection of his Government which has no motive in the world to ruin its own people, and which is responsible to them. The politicians the holding-company managers sneer at have to answer to their people—they have no interest in ruining their constituents. These same holding-company managers have to

answer to nobody and have long ago proved that the way they make their profits is by ruining their constituents.

Now let us think about a third class of investors. That class of investors is the consumers of electricity. Those consumers are truly "the forgotten investor", because they have the biggest real investment of all in the utility industry. A public-utility system doesn't include merely the generators in the power house and the transmission lines. It has to have appliances at the other end of the power lines—washing machines and flat irons and refrigerators, the radio to which you are listening, electric machinery in stores and factories which use the juice. Every woman who pays $100 for a refrigerator, every factory owner who pays $1,000 for an electric machine invests in the utility system just as much as the purchaser of a fancy holding-company debenture. The total investment in operating utilities in this country through securities is estimated to be about $12,000,000,000. But the total investment of the public in appliances at the receiving end of the utility business—the appliances without which there would be no load and no profit in the utility business—is estimated by utility people themselves to be over $13,000,000,000.

How about that class of investor whose only return on his investment is the use of his appliance at decent rates. Do the investors in utility securities ask the investors in utility appliances to go on paying extortionate rates forever to support watered holding-company securities so that those investors in securities will get not only what those securities are worth but what holding-company salesman told those investors those securities were worth? We must give the investor in securities every honest protection to which he is entitled. And this bill does give him that protection—it destroys not one penny of actual value and preserves that actual value from future depredations by holding company managers.

But there are a hundred million of us in this country who own no public-utility securities nor much of anything else who must use gas or electricity in decent quantities as the very basis of what we call the American standard of living. While we are protecting a few million investors in securities, don't let's forget that other hundred million or so. They, too, are the American people. They, too, are entitled to protection, protection against the greed of a few smart manipulators of Wall Street. And they, too, along with all the investors in securities, make up the whole American Nation which has got to nerve itself to break down that private socialism, that concentrated economic power of a few, of which the public-utility holding company is at once a device and a symbol, if we are to go on in this country with an economic democracy. On the eve of the Senate vote on this bill I think we ought to remember the President's holding-company message to the Congress on March 12, in which he said:

"Except where it is absolutely necessary to the continued functioning of a geographically integrated operating utility system, the utility holding company with its present powers must go. If we could make our financial history in the light of experience, certainly we would have none of this holding-company business. It is a device which does not belong to our American traditions of law and business. It is only a comparatively late innovation. It dates definitely from the same unfortunate period which marked the beginnings of a host of other laxities in our corporate law which have brought us to our present disgraceful condition of competitive charter-mongering between our States. And it offers too well demonstrated temptation to and facility for abuse to be tolerated as a recognized business institution. That temptation and that facility are inherent in its very nature. It is a corporate invention which can give a few corporate insiders unwarranted and intolerable powers over other people's money. In its destruction of local control and its substitution of absentee management it has built up in the public-utility field what has justly been called a system of private socialism which is inimical to the welfare of a free people.

"Most of us agree that we should take the control and the benefits of the essentially local operating utility industry out of a few financial centers and give back that control and those benefits to the localities which produce the business and create the wealth. We can properly favor economically independent business, which stands on its own feet and diffuses power and responsibility among the many, and frowns upon those holding companies which, through interlocking directorates and other devices, have given tyrannical power and exclusive opportunity to a favored few. It is time to make an effort to reverse that process of the concentration of power which has made most American citizens, once traditionally independent owners of their own businesses, helplessly dependent for their daily bread upon the favor of a very few, who, by devices such as holding companies, have taken for themselves unwarranted economic power. I am against private socialism of concentrated private power as thoroughly as I am against governmental socialism. The one is equally as dangerous as the other; and destruction of private socialism is utterly essential to avoid governmental socialism."

REGULATION OF PUBLIC-UTILITY HOLDING COMPANIES

The Senate resumed consideration of the bill (S. 2796) to provide for the control and elimination of public-utility holding companies operating, or marketing securities, in interstate and foreign commerce and through the mails, to regulate the transmission and sale of electric energy in interstate commerce, to amend the Federal Water Power Act, and for other purposes.

Mr. DIETERICH. Mr. President, on May 28 I gave notice that I would offer a series of amendments to Senate bill 2796, the bill now under consideration, and again on May 31 I gave notice that I would offer another amendment. Those contemplated by the notice of May 28 were a series of amendments, 11 in number, and the notice of May 31 embraced 1 amendment. I now ask unanimous consent formally to offer these amendments and ask that their consideration be postponed until a later period in the proceedings.

Mr. WHEELER. I have no objection to that, but I should like to have them taken up as soon as practicable.

Mr. DIETERICH. I do not want to have them taken up first. There are other amendments which I think should be first considered.

The VICE PRESIDENT. The Chair understands the Senator from Illinois to ask unanimous consent that he may be permitted now to file certain amendments with the clerk, to be taken up at some future time. Is that the request?

Mr. DIETERICH. That is the request.

Mr. BARKLEY. The request is somewhat vague.

Mr. JOHNSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. JOHNSON. Are not amendments in order at the present time?

The VICE PRESIDENT. Amendments are in order. The Senator from Illinois does not have to ask unanimous consent to offer amendments. Any Senator may offer amendments to the pending bill at any time.

Mr. DIETERICH. I am asking now that the consideration of the amendments be postponed until a later period in the proceedings.

The VICE PRESIDENT. The Chair will suggest to the Senator that there is a unanimous-consent agreement limiting the debate on amendments and on the bill. Does the Senator desire to wait until the consideration of other amendments to the bill shall have been concluded?

Mr. DIETERICH. Yes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Illinois?

Mr. BARKLEY. Mr. President, reserving the right to object, I should like to inquire of the Senator whether the amendments he has in mind have been printed?

Mr. DIETERICH. They have been printed and are on the table; I am now formally offering them, and asking unanimous consent not to take them up immediatebly, but that they be taken up at a later period in the proceedings.

Mr. WHEELER. The Senator does not need to have unanimous consent to do that.

The VICE PRESIDENT. The Senator does not have to have unanimous consent for that purpose. He may have the amendments considered when he is ready to offer them.

Mr. KING. Mr. President, I should like to make an inquiry of the Senator. As I understand, he does not desire to offer the amendments en bloc so that they cannot then be considered separately, but that each one may be presented and 10 minutes allowed to discuss it?

Mr. DIETERICH. I do not intend to offer the amendments en bloc; I intend to offer them as separate amendments.

Mr. BARKLEY. Inasmuch as the amendments have already been printed and are on the clerk's desk at this time, it seems to me it would be better to offer them one at a time rather than to offer them en bloc. That would not deprive the Senator of any rights at all.

The VICE PRESIDENT. The Senator from Illinois desires to give his amendments a parliamentary standing, not to be taken up at once but to be considered as pending?

Mr. DIETERICH. That is correct.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator may send his amendments to the desk.

Mr. JOHNSON. Mr. President, I offer an amendment, which I ask may take the same course.

The VICE PRESIDENT. The Senator from California offers an amendment, not to be reported at the moment,

which will lie on the table. The question is on the engrossment and third reading of the bill.

Mr. KING. Mr. President, the measure under consideration demands the most careful—indeed, critical—examination. It involves not only property rights but the rights of individuals and of sovereign States. The progress of civilization is in part measured by the change from status to contract; the emancipation of the individual from autocratic authority and the development of local self-government. It has been a struggle measured by centuries which has produced the Democratic principles upon which this Republic is founded. Reactionary forces have resisted the evolutionary development in the fields of government and social institutions.

The founders of this Republic were familiar with the pages of history which recorded the sanguinary struggles for political and intellectual freedom. They had been the victims of a strongly centralized and autocratic government, and when independence was won they determined that the power of any or all governments set up by them should be limited.

When Great Britain's authority ended the Thirteen Colonies became or were 13 independent States or nations; each had all of the authority possessed by any sovereign State. They perceived, however, the importance of a government to which would be granted limited authority, and so the Federal Government was created and given enumerated and limited powers. The States were jealous not only of the liberties of their citizens but of their own authority. So careful were they to restrain the Federal Government which was created that they specifically declared in the tenth amendment to the Constitution that the powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.

Notwithstanding the Federal Government was limited in its authority, that its powers were clearly defined and enumerated, efforts have been made from time to time to weaken the authority of the States and to strengthen the power of the National Government. There have been some Americans who have coveted for our Government the nationalistic power found in other countries, and have attempted to undermine the States and aggrandize the Federal Government. Even now there are some who say that there should be a powerful National Government armed with the authority possessed by many foreign governments. By that they mean that the rights of the individuals and of the States should be diminished, that their authority should be usurped, and that the National Government should take on the habiliments of power worn by monarchial or other centralized governments. Unfortunately, the rights of the States have been invaded, and persistent efforts have been made and are still being made to magnify the National Government and to weaken the authority of the sovereign States.

There are movements on foot which, in my opinion, should arouse the American people who believe in our form of government to a determination to preserve the inheritance of liberty—the Government which was handed down by our fathers—so that succeeding generations may be the beneficiaries of democratic principles and the liberties which are inherent in our Government.

The Congress of the United States does not have unlimited power, and its legislative enactments must not transcend the limits prescribed in our fundamental charter. In periods of stress, whether resulting from unsatisfactory economic conditions or from other causes, there are many persons who look to governments to relieve the conditions, and who are often indifferent to measures which may be taken, whether constitutional or otherwise. A spirit of unrest in social and economic fields produce movements which menace the foundations upon which good government and, indeed, progressive civilization rest.

In my opinion there are currents in our political and economic life that are disturbing but, it is to be hoped, not dangerous. Be that as it may, when measures are under consideration by Congress, with the limitations imposed in the Constitution, it is an obligation resting upon all to scrutinize measures and policies that are suggested with a view to the prevention and adoption of policies or the enactment of measures violative of the Constitution and which impinge upon the rights of sovereign States.

There is much truth in the statement that in Lincoln's time the contest was to save the Union, but the contest now is to save the sovereign States. When measures are suggested which may be considered as transcending the limits of the Constitution, the obligation rests upon the members of legislative branches of the Government to weigh them with the utmost care. Thomas Jefferson stated that if any doubt existed as to the constitutionality of a measure, it should be rejected.

Occasionally the statement is made that Congress may remit to the Supreme Court of the United States measures the constitutionality of which is uncertain and challenged. We have subscribed to an oath to maintain and defend the Constitution of the United States, and the obligation, it seems to me, rests upon us to withhold our assent to any measure that bears the taint of unconstitutionality. Certainly we may not pass lightly over proposed legislation which rests for its validity upon some enumerated power granted the National Government. Political, social, or economic conditions which we deplore may exist, but that does not afford ground for Federal interposition where its authority is lacking. There are some who believe that the Federal Government should deal with marriage and divorce, with control of the public schools, and that it should assume jurisdiction over other questions and problems which are within the exclusive authority of sovereign States.

It may be that the builders of this Republic were too jealous of their personal rights and of the rights of the sovereign States which they set up. However, under the State and Federal Governments given to us by our fathers, the strongest nation in the world has been developed. Under the aegis of local self-government and with the protection given to individuals not only by their State governments but by the National Government, the most powerful and the richest nation in the world has been developed upon the shores of the New World.

When Congress has acted upon a measure and it is presented to the courts for consideration, there is a presumption as to its validity. It is assumed that the Congress and the Executive have under their oaths carefully examined the same and reached the conclusion that it is not subject to challenge upon the ground of unconstitutionality.

I am not a member of the committee which has presented the so-called "holding bill", nor have I had an opportunity, because of other duties, to give it the attention which I should like, or to examine the entire record, consisting of hundreds of printed pages, found in the hearings conducted by the Committees on Interstate Commerce of the House and the Senate.

The measure before us is not one to regulate corporations engaged in interstate commerce. It is not a measure of regulation, but, as some believe, a measure of destruction. It does not deal with corporations organized by the Federal Government but it encircles in its grasp corporations organized under the laws of the various States, the constitutionality of which is not and cannot be challenged.

In passing it may be said that the Federal Government has organized many corporations, not for governmental purposes, and the validity of the acts under which such corporations have been created is believed by some to be subject to successful challenge.

Without discussing the many provisions of the holding-company bill, I am inclined to think that we need go no further than to consider the fundamental principles of our Federal Government, clearly, distinctly, and unequivocally enunciated in the Constitution itself, the observance of which principles is essential to the continued maintenance of our form of government, State, and Nation, and the disobedience of which principles is destructive of the framework of our Federal institutions. There will be no disagreement to the statement that the Federal Government is divided into three coordinate branches, and that legislative power may not be exercised by the Executive, and that Congress alone may exercise such legislative power, and may not pass it on to the Executive.

It is understood that the Federal Government is made up of a union of a number of sovereign States, unlimited in their powers except as particularly restricted by the Bill of Rights of the Constitution, whereas the Federal Government is one of limited powers, having only authority expressly or by necessary implication conferred upon it by the people in the Constitution, all other powers being expressly reserved to the States and to the people.

As I have indicated, however desirable it may be in times of emergency or in periods of stress to give to the executive, or any branch of it, the power to make laws or to decide what the law shall be, it cannot be done. However desirable it may be because of the inaction of some of the States, and the impatience of the people of other States with such inaction—as, for instance, the failure on the part of some of the States to prevent child labor—the Federal Government cannot interfere or impose its will upon the States. The decisions of the courts confirm that view, and the recent decision of the Supreme Court of the United States in the so-called "Schechter case" announces in unmistakable language the same principle.

The important question before us involves the power of the Federal Government to dissolve and destroy corporations which, as indicated, were lawfully organized pursuant to the laws of sovereign States. A number of these corporations lawfully chartered by sovereign States, and engaged in a lawful business under express grant and sovereign authority, saw fit to purchase stock in other corporations, and by that means to control some or influence others. Without going further, and without considering the nature of the corporations whose stock is thus purchased and held by another corporation, it is sufficient to say that this is in itself, according to the views of many, an evil. The very nature of a corporation as a separate entity and as a citizen precludes the idea that it should be thus combined with other bodies corporate, being like entities and citizens, in such a way as to obliterate all the power and responsibility of such other corporations and not maintain all the benefits of the separate entities and citizenship. I believe this is an evil which the States have the power to correct. In my opinion, it may well be contended that the States ought never to have permitted such power in a corporation as is not permitted in any corporation organized under the laws of the District of Columbia; but it has been done.

The power under which these holding companies, as well as their subsidiaries, were formed emanated from sovereign States, whose authority to grant these charters none can deny. The States will not, in my opinion, denude themselves of this authority, believing as they do that it is inherent in their sovereignty and a matter on which they alone have the right to act.

The contention of the proponents of this bill, as I understand, is that because of the evils alleged to exist—and that evils do exist none can deny—Congress must therefore assume authority to destroy such corporations or, rather, provide for their destruction within 5 years. Permit me to suggest an analogous situation by referring to a similar case which has not been the subject of complaint, and about which, therefore, we may speak with less feeling.

Generally, it is understood that in some States corporations may be chartered without having capital stock which is the limit of the corporation's liability, and is the security upon which people do business with it. Suppose a State permits a corporation to be organized without any capital stock paid in—and that situation exists, I believe, in some States—and also permits such corporation to issue bonds for 10 times its normal capital stock, although, as stated, not a penny has been paid in on such capital stock; will it be contended that Congress has the power to repeal such State laws, although manifestly the course indicated is reprehensible and doubtless would produce unfortunate results?

The position, as I understand, of those who are arguing for this bill rests upon the supposed power of Congress to destroy State corporations. It rests, as I interpret their position, upon precedents or analogies which I do not think exist. It is said that Congress has power to pass the antitrust laws preventing conspiracies in restraint of trade when that trade is interstate commerce; and it is also contended that this power may be exercised even though the conspiracy takes the form of a corporation, and is exercised through stock ownership.

To support the latter contention, the Northern Securities case is cited. Senators are familiar with that case, and know that the Sherman antitrust law, upon which it rests, has long since been sustained, and its constitutionality is questioned by none. But it is not even pretended that the holding-company measure before us is intended to deal with unlawful conspiracies in restraint of trade. It has not been asserted, and it will not be asserted, that that is the purpose of this bill; for, if that were true, the proponents of the measure would be at once overwhelmed with the devastating answer that the law is then wholly unnecessary, and the evil has already been taken care of, or can be taken care of, by the antitrust laws now upon the statute books.

The VICE PRESIDENT. The Senator's time has expired. There is no amendment pending. There are, however, some amendments to be offered. Has any Senator an amendment he desires to offer to the bill at the present time?

Mr. BARKLEY. Mr. President, I will offer an amendment if it will help the Senator.

Mr. KING. I thank the Senator.

Mr. BARKLEY. On page 57, line 20, I move to strike out "competitive bidding" and insert "maintenance of competitive conditions."

The VICE PRESIDENT. The Senator from Kentucky offers an amendment which will be stated.

The CHIEF CLERK. On page 57, line 20, it is proposed to strike out "competitive bidding" and insert "maintenance of competitive condition."

Mr. KING. Mr. President, we need not a line of legislation, therefore, to show that the antitrust laws will apply to public-utility companies as well as to any other companies; and under the procedure in many cases such illegal organizations might be dealt with in a satisfactory manner under the processes of the courts. Under the terms of the bill the holding companies are to be destroyed whether they promote commerce or restrain it; whether they are combinations or single individual entities; whether they increase competition or secure monopoly. Nothing is even said on the subject; and if it were, as I have indicated, the laws already on the statute books are ample to deal with the situation, and if such laws are not enforced that is no reason for the enactment of this proposed bill. We are indeed in an unfortunate position if Congress must at every session reenact every law that is not being enforced.

The other so-called "analogy" or precedent is the act of Congress known as the "Commodity Clause Amendment to the Interstate Commerce Act", forbidding railroads to haul commodities which are owned by the railroads hauling the commodities to be sold in competition with commodities owned by shippers who have had to pay freight rates to the railroads for such hauling, and who have to deal at arms' length with the carriers in the fixing of such rates. In support of this position, the case of the Delaware & Hudson Co. is cited.

There is a complete misunderstanding of the reason for the validity of such a law as that proposed, or there is a certain disingenuousness in contending that the case cited is a precedent or furnishes an analogy. The commodities clause has nothing whatever to do with the destruction of State corporations, or even with the diminution by Congress of the power deliberately given to corporations by States.

As I interpret it, it is concerned solely with the right of a common carrier by railroad in interstate commerce to use its power as such interstate carrier to monopolize and control the commodities which it carries. This seems so clear that the Supreme Court held that Congress, even if it had the right, did not by such statute in any way interfere with the right of a railroad to own stock in other companies, even though those other companies in turn owned the commodities which were being shipped by the railroad in com-

petition with other shippers who had no relations in the nature of stock ownership with the railroads.

Without analogies or precedents, is it not our duty to question what the proposed bill will do, or, looking at it in a broad way, determine what it seeks to accomplish?

It proposes to take corporations which it calls holding companies, because they own stock in other corporations, and because those other corporations in which they own stock are public utilities under charter from the various States and subject to the regulation of the various States, and assume absolute control over them for the purpose of destroying them whenever a commission set up by Congress, or already established, thinks they should be destroyed. In other words, the bill provides that if the Commission thinks the holding companies are too complex—and they are to judge what complexity is—or that they are not necessary—and they are to judge the needs of the people, and determine whether a given utility is necessary—or whether the States under their charters have given them too broad powers, they must be destroyed.

It seems to me this is an attempt to delegate legislative power to a bureaucratic branch of the executive department. Plainly, this is an invasion of the rights of the States over their internal affairs and the corporations which they have established, on the ground that the States have failed to act, or as some may say, that they seem incompetent to act. The same argument, I might add, is adduced by some who insist on the Federal Government assuming jurisdiction over matters purely intrastate, because of the alleged impotency of the States, or their refusal to adopt some measure or policy which it is contended is for the welfare of the people. Many of these so-called "socialization schemes" rest upon the assumption that the States fail to meet the ideals of so-called "socially minded people." Excuses and pretexts are not infrequently found for the invasion of individual and State rights.

There is a school of thought not infrequently moved by hysteria and high passions and great emotions that would recreate society, and subject individuals and communities to a system of regimentation, ostensibly for the good of all, that would result in the loss of liberty and produce a reign of tyranny.

No fine reasoning or subtle distinction can explain away the decision holding the National Recovery Act in various particulars to be unconstitutional. That act attempted to delegate legislative authority to a legislative creation, and to organizations created and existing under such authority. That decision was rendered after elaborate arguments were prepared on the constitutionality of the measure we are now considering. Perhaps that important decision was not taken into consideration by the able young men who prepared and who defend the bill now presented to Congress for enactment. It seems to me that the measure under consideration will meet the fate of the National Recovery Act.

May I submit a few words concerning section 11 which contains provisions of a most extraordinary character, and confers authority which ought never to be committed to an executive bureaucratic organization. The Commission is given the authority to examine corporate structures of holding companies and to determine how these structures may be simplified, and how unnecessary complexities may be eliminated, and also the authority to fairly and equitably distribute the voting power among holders of securities. But that is not all—it is authorized to determine the limits, geographical and economical, of an integrated public system. The views of the stockholders of operating companies or of subsidiaries of the stockholders of the holding company are immaterial. Their voice is silent, and some agency of the Government, perhaps wholly unfamiliar with the factors involved, the problems legitimate and proper to be solved in carrying out the functions of a utility company, is substituted. The power conferred upon the Commission is autocratic.

It has the power to require a registered holding company, and also every subsidiary to reorganize or dissolve if, in its opinion, it regards the structure or existence of the system as unduly or unnecessarily complicated.

Under the bill substantially all of the electric power companies of the United States are placed in the hands of this Commission. Property of the value of billions of dollars may, and doubtless will, suffer a serious reduction in its value. Indeed, under the power granted to the Commission it may be said without exaggeration that values may be destroyed and property confiscated. Obviously, the attempts at dissolution, compelled by the Commission, will result in numerous losses to millions of individuals who have purchased stocks of utility companies in good faith. The dismemberment of companies as required by the Commission will present a serious situation, which will inevitably result in the destruction of property values and enormous losses to property holders. It seems clear that the forced dissolution will result in the destruction not only of corporate, that is, stock, bond, and security values, but of the physical properties of various utilities. In the face of the destructive and ruthless policy which the measure before us compels the execution of, it will be almost impossible to reorganize or to find purchasers for dismembered branches of a utility system.

It would seem inevitable that many of the holding companies will be thrown into bankruptcy courts under the provisions of 77–B of the Bankruptcy Act though its assets may be greatly in excess of its liabilities. I cannot help but believe that the drastic provisions of the bill will result in the destruction not only of the holding companies but of subsidiaries and, indeed, some of the primary or operating utility companies themselves.

I invite attention to paragraph D of section 11, which reveals the oppressive character of the section and the dangerous powers which are conferred upon the Commission—powers which will inevitably be destructive of property values and result in serious losses to millions of bona fide holders of stocks in utilities. The paragraph referred to empowers the Commission to apply to a court to compel compliance with any of its orders for partial or complete disintegration of holding companies. The court, as I read the provision, is required to take possession of all the assets of the company regardless of their situs. But that is not the only provision that is extraordinary and indeed oppressive. It compels the court to constitute and appoint the Commission as sole trustee to administer, under the direction of the court, all of the assets of the company. It seems to me that this proposition is so unjust, and is fraught with so much of danger, if not evil, that it ought to be eliminated.

As I interpret the section, proceedings in bankruptcy are inevitable, and efforts to effect reorganization are so hedged about by difficulties as to amount to a frustration of sincere efforts by bona fide stockholders to save from the wreck resulting from the dissolution proceedings a remnant of their investments.

The Court, in paragraph D, compelled to constitute and appoint the Commission as sole trustee during the formulation and execution of any plans for reorganization, and with such unlimited power possessed by the Commission, it may interpose obstacles to reorganization and retain physical control of the properties for an indefinite period.

Paragraph F, if I correctly interpret it, deals not only with insolvent companies but with those having ample assets and those that are going concerns and are possessed of resources and assets to meet every contingency. Where holding companies, anticipating the enforcement of the provisions of this section, take preliminary steps to secure dissolution and reorganization, and for that purpose apply to the courts, the Commission can prevent the execution of the plan and intrude itself into the picture and obtain the control as sole trustee of all the properties of the company. I hope that I am in error, but as I read the rather bewildering and mystifying provisions I am forced to the conviction that the Commission will obtain control of most of the public utilities within the United States. This will inevitably result in confusion and place the whole utility system in a chaotic condition.

I repeat what I said a moment ago, that values will be destroyed and millions of persons who have invested perhaps their life savings in the stocks and securities of public utilities will discover that their savings have been lost and their securities have become valuless.

If the Commission shall attempt to speedily dissolve and destroy the holding companies, then it is certain that the destruction of tangible and intangible assets will be of tremendous value. If the Commission shall exhibit the characteristics so often found in receivers and organizations charged with reorganizing corporations, then for an indefinite period such reorganizations will not be effected and the public utilities of the United States would be in the utmost confusion to the inconvenience and injury of the public and to the financial disadvantage and injury of those owning the stocks, bonds, and securities of such utilities.

Mr. President, under the limitations of debate agreed upon I cannot analyze the numerous and complicated provisions of the bill before us.

I can only add that there have been great evils resulting from the practices of so-called "holding companies." I do not condone them, nor do I condone the evils and wrongs of many corporations and individuals in the conduct of their business practices.

That holding companies engaged in interstate commerce should be subjected to proper regulations, I believe all will admit, and it will be conceded by all that the National Government has power to regulate interstate commerce, and accordingly to regulate power companies engaged in interstate commerce.

This bill as I interpret it, attempts to regulate intrastate commerce, to deprive the States of their authority to deal with utilities engaged in intrastate business, and to destroy corporations organized under State laws, and which are engaged in activities, which, if not purely intrastate, are essentially intrastate—and directed to limiting the need of local communities and devoid of the qualities of interstate commerce.

I favor strict regulation by the Federal Government of interstate utilities and the adoption of a valid and constitutional policy which will control interstate utilities and eventually bring about the reorganization of all utilities which may fall within the category of interstate public utilities.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BARKLEY].

Mr. McNARY. Mr. President, may we have the amendment stated by the clerk, or some explanation made of it?

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 57, line 20, it is proposed to strike out the words "competitive bidding" and to insert in lieu thereof the words "maintenance of competitive conditions."

Mr. BARKLEY. Mr. President, this is one of a series of amendments agreed to last Friday in order to make the language still broader. The language now written in the bill refers only to competitive bidding. This amendment would make it applicable to competitive conditions, and two other amendments of the same sort have already been agreed to.

Mr. GORE. Mr. President, the Senator from Utah referred to the draftsmen of the pending bill. I do not believe he stated their names. If he did not, I wish he would.

Mr. KING. Mr. President, the gentlemen referred to are Mr. Corcoran and Mr. Cohen.

Mr. GORE. I had understood that those gentlemen had taken part in drafting the bill. I had also been advised that they were very much opposed to its being amended. I was wondering if the Senator from Utah could enlighten us on that point.

Mr. WHEELER. Mr. President, I am glad to say to the Senator from Oklahoma that the two men who have been mentioned did, under the direction of the President of the United States, help in drawing up the bill. It was worked on not only by these men but it was worked on by Mr. Splawn, of the Interstate Commerce Commission, by the Attorney General of the United States, and by numerous others.

When the bill came before the Committee on Interstate Commerce it was amended at the direction of the committee in numerous respects, and there has not been any objection upon the part of these men, excepting where they felt and I felt that the amendment suggested would thwart the purposes of the measure. They have never taken an arbitrary stand in regard to any amendment. They have only sought to keep the purposes of the bill in accordance with the President's message to the Congress.

Mr. GORE. Mr. President, so far as the Senator from Montana is concerned, I would say that I think he has maintained a fair and judicial attitude in the consideration of the measure and of amendments. I think he has been disposed to give considerate attention to amendments which have been urged upon him, and which seemed to have merit justifying their adoption. I may be in error when I say that the young men referred to were rather dogmatic in their opposition to amendments being adopted, but I have been so advised.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. BARKLEY. I think it is fair to state to the Senate, in connection with the gentlemen whose names have been mentioned, that last summer the President appointed a commission composed of representatives from various departments of the Government to look into this very question, following the report of an investigation which had been conducted for years by the Federal Trade Commission. The pending bill was not framed by any one or by any two men. It was worked out by the interdepartmental committee appointed by the President, and their labors have been invaluable, of course, in trying to make practical the suggestions of the Federal Trade Commission, the Federal Power Commission, and other governmental agencies which have been dealing with the proposition. The bill is not the product of any one mind or of any half dozen minds. It is the product of a committee which worked for months upon the problem and brought out the measure which we now have before us.

Mr. GORE. The Senator from Kentucky is one of the leading members of the Committee on Interstate Commerce of the Senate, an influential member of it. If it be true, or if it be admitted, that the members of that committee are not qualified to draft legislation, and if that admission be made by the members of the committee, I have no disposition to dispute it. Mr. Cohen and Mr. Corcoran have taken part in drafting other important legislation for us to pass, and, since they have not been elected to either branch of Congress, it might be well to attach them to the legislative counsel for one or the other Houses in order that they may obtain full credit and assume full responsibility for their labors. I think legislation upon this subject ought to be enacted, but it ought to be well considered, and calculated to do more good than harm—and constitutional withal.

Mr. TYDINGS. Mr. President, I should like to ask the Senator in charge of the bill a few questions. I refer first to section 13, subsection (d), found on page 58 of the print of the bill I hold in my hand. As I understand that section, it is so broadly drawn that the Federal Power Commission could regulate every concern which sells any material whatsoever to a public-utility commission. Is that true?

Mr. WHEELER. That is not correct. I will explain the purpose of the section.

Mr. TYDINGS. Let me read it to the Senator and see wherein I am in error. The section is found on page 58, and I wish to read it.

Mr. WHEELER. Let me correct the Senator. On Friday the Senator from Kentucky [Mr. BARKLEY] offered an amendment to take care of the very criticism the Senator from Maryland makes.

Mr. TYDINGS. Understand, I am asking the questions only for information, and not having a reprint of the amendments, it is very difficult for us to tell exactly in what shape the bill now is. If the bill were enacted in the form of the print I now hold in my hand it would preclude a hardware

store from selling a hundred feet of hose to a public utility unless it complied with the rules and regulations of the Federal Power Commission. I do not think that was the intention of the authors of the bill. What I am attempting to point out is, however, that this language ought to be contracted so as to deal primarily with affiliate companies, which, I understand, is the purpose of the bill.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. TYDINGS. I yield.

Mr. BARKLEY. On Friday last I offered three amendments, one to be inserted on page 58, proposing to strike out the words "engaged in the business of performing."

Mr. TYDINGS. In what line?

Mr. BARKLEY. Lines 1 and 2; and on other pages wherever that language appears, I propose to insert in lieu of it the words "the principal business of which is the performance of", so that it would read:

It shall be unlawful for any person, the principal business of which is the performance of service, sales—

And so forth. The language would eliminate any concern which casually or incidentally and not as the principal part of its business sells these things to a utility company.

Mr. TYDINGS. Of course, the amendment of the Senator from Kentucky would cure in great part the defect I have pointed out, and I am very glad the Senator has offered the amendment; but let me state a situation which might arise. Suppose a company whose principal business is the furnishing of supplies to a public utility located in Baltimore, we will say, sold some supplies to a utility in West Virginia so as to bring it under the interstate commerce provisions, and suppose there were no connection whatsoever between the supply house in Baltimore and the operating company in West Virginia. Is it the intention of the authors of the bill that such supply house, which normally has as its principal business the furnishing of supplies to a utility, but with which it is not connected, shall have to submit to rules and regulations of the Federal Power Commission?

Mr. WHEELER. There have been many abuses of that kind, and the language was made rather broad because we wanted to be able to prevent abuses which have crept into these service contracts. They have been one of the very worst features of the entire situation, as through them operating utilities have been milked.

Mr. TYDINGS. Let me interrupt the Senator from Montana long enough to say that I quite see the need for the legislation where the companies are affiliates, but I rather question the need for the legislation where the companies have no interlocking or direct or indirect connection. I was wondering whether or not, where there was no connection whatsoever, the Senator still wanted to regulate the supply company.

Mr. WHEELER. We have no intention of regulating the supply company where there is not any connection, and I thought the amendment which was offered by the Senator from Kentucky [Mr. BARKLEY] would cover such a situation.

Mr. TYDINGS. No, Mr. President, the amendment offered by the Senator from Kentucky would cure much of the defect, but in the case of a company in Montana which had no connection with a utility company in North Dakota it could not sell to the latter without complying with the rules and regulations of the Federal Power Commission, whatever they might be.

Mr. WHEELER. I do not think the language of the bill could be construed, and it is not the intention of myself or the committee to have it construed, so as to cover a case such as the Senator has suggested.

Mr. TYDINGS. I believe the Senator from Montana has no intention of causing such a situation as I present, but I respectfully submit that the provision as now written—

It shall be unlawful for any person, the principal business of which is service, sales, or construction contracts for public-utility or holding companies—

would bring about the result I have suggested.

Mr. WHEELER. Let me call the Senator's attention to this language, in addition to the language which the Senator from Kentucky has offered. It shall be unlawful to take—

Any step in the performance of any * * * contract * * * in contravention of such rules and regulations or orders regarding reports * * * disclosure of interest, duration of contracts, and similar matters as the Federal Power Commission deems necessary or appropriate. * * *

Many companies claim not to be affiliated with utility companies. The purpose of the language is to give the Federal Power Commission power to make companies disclose whatever their interest in other companies is. If a company is shown not to have any interest in other companies, then the Commission is given absolute power, and it is its duty to exempt such companies. That is the purpose of the bill.

Mr. TYDINGS. I see what the Senator wishes to accomplish, and I am not out of sympathy with it, but I still respectfully submit that, as this language is drawn, the fair interpretation is that any company whatsoever which sells supplies to a utility-operating company, although there is no connection between them, would be subject to the regulation of the Federal Power Commission. I am not going to press the point, but, having called it to the attention of the Senator, I hope that he and his draftsmen will try to prepare and present an amendment which will accomplish exactly what he wishes to accomplish, but will go no further.

Mr. WHEELER. I will try to work that out.

Mr. TYDINGS. Let me ask another question. Under the bill, holding companies are to be dissolved in a period of 5 to 6 years in certain cases. Suppose a holding company is incorporated in Montana under the laws of the State of Montana, what authority can the Federal Government have to cancel the charter given by a State under its State laws?

Mr. WHEELER. Let me call to the Senator's attention what the Supreme Court of the United States said in the Reading case, and in the Northern Securities case, and in the Tobacco Co. case.

Mr. TYDINGS. I am familiar with those cases, but I may point out to the Senator that in those cases the subject was regulation, and not extinction.

Mr. WHEELER. While the subject was regulation, as a matter of fact the Supreme Court dissolved the Reading Co.

Mr. TYDINGS. That is true.

Mr. WHEELER. The legislature had authorized the specific company to be organized, and the railroad was encouraged to do the very thing which was done in the Reading case, but the Supreme Court dissolved the company.

The PRESIDENT pro tempore. The time of the Senator from Maryland on the bill has expired.

Mr. TYDINGS. Then, I will speak on the amendment. Let me say to the Senator that that was a case where a coal company and a railroad, as I recall, combined.

Mr. WHEELER. That is true.

Mr. TYDINGS. And the policy was held to be against the public interest, and so on. How would a holding company be dissolved on similar grounds?

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. BARKLEY. The Reading Co. was a holding company. It was a sort of an overhead bridge to connect the Reading Railroad and the Philadelphia & Reading Coal Co. and one or two others.

Mr. TYDINGS. I rather think that precedent is being extended to cover more territory than the Supreme Court's decision in that case would allow.

Mr. BARKLEY. In that case the Supreme Court read into the act of Congress language which was not even there. Now we are putting the language in this bill so the Supreme Court will not have to read it in.

Mr. TYDINGS. I have not made any profound study of the bill, but those who profess to be constitutional lawyers are a little reluctant to concede the point that the Federal Government can more or less arbitrarily revoke the charter issued by a State.

Mr. WHEELER. When I first started to study this bill the same thought occurred to me which has occurred to the Senator from Maryland. In spite of what someone has said,

I did not take the statements of those who drafted the bill, but I made an independent study of it. I will say that there is no question in the world that the Government of the United States, in a case where a company is engaged in interstate commerce, has the power to say to that company, "You must comply with certain rules so your operations will not be a burden upon interstate commerce. If you are organized in such a way in interstate business that your operations directly or indirectly burden interstate commerce, then the power of Congress is such that it can say you must so organize your company as to comply with such rules and regulations as the Congress of the United States may lay down to relieve that burden upon interstate commerce."

Mr. TYDINGS. That sounds like good law to me, Mr. President. However, I do not understand that the purpose of this bill is to make the holding companies comply with certain rules which deal with interstate commerce, but it is to wipe them out. Without arguing whether they should or should not be wiped out—I am not arguing that question now; probably they should be—what I am trying to find out is whether the Federal Government has the arbitrary power to wipe them out, and should we not make them comply with certain definite rules rather than arbitrarily wipe them out?

Mr. WHEELER. There is not any question at all that Congress, under the rules laid down by the Supreme Court, has the power to say that any company, wherever it is organized, and under whatever circumstances it is organized, which by reason of its organization is engaged in interstate commerce, shall be governed in its operation as directed by Congress. In this bill we have laid down a standard much more carefully than in the case of the Hepburn Act, or in the case of the Sherman antitrust law. In this bill we set up a standard. We say, "Holding companies shall not be allowed to sprawl all over the United States."

Mr. TYDINGS. I see the Senator's line of reasoning. Could a holding company remain in existence if it complied with the regulations?

Mr. WHEELER. Absolutely. We have laid down here a standard for a holding company, and all we say to a holding company is, "If you comply with that standard you can remain in existence. If you do not comply with that standard then you cannot remain in existence."

Mr. TYDINGS. That answers my question. I did not hear the previous argument. In other words, standards are set up, and if a company complies with those standards it can continue doing business.

Mr. WHEELER. Positively.

Mr. TYDINGS. If it does not comply, then it can be dissolved.

Mr. WHEELER. There is no question about that. That is exactly it. What happened in the Hepburn Act case? The Court said, "Here is a holding company, the Reading Co.; here is the Delaware, Lackawanna Co."——

Mr. TYDINGS. The Senator will remember in the early stages of the consideration of this bill I pointed out to him a rather hypothetical case where in the dissolution of a holding company innocent stockholders might be defrauded, and I cited cases where that had been done in the dissolution of other companies. Has the Senator drawn any additional safeguards around provisions for the dissolution of these companies?

Mr. WHEELER. That is exactly what we have done in section (a) of this bill. We have sought in that section to provide the methods by which they shall be dissolved. When they come to the point of dissolution, then we have set up the methods for the protection of investors in the utilities to prevent them from being robbed.

Mr. TYDINGS. By leaving the Federal Power Commission to pass on the dissolution?

Mr. WHEELER. Yes.

Mr. TYDINGS. There are no standards set up for it?

Mr. WHEELER. By simply not only allowing the Federal Power Commission to approve of the set-up; but likewise we are seeking by this bill to have the Federal Power Commission appointed as the receiver or trustee so that the Government itself will be responsible.

Mr. TYDINGS. I will say in conclusion as to my position generally—and then I will surrender the floor—that I think the time has come when interstate power companies ought to be regulated here, and I will be glad to support legislation to accomplish that result. My one fear about the bill, as expressed by the first question I asked, is that in the desire to reach its purpose the measure encompasses fields which it was not intended to enter. It ought to be restricted to its proper field. Secondly, that, notwithstanding the Supreme Court's decision in the Reading case and other cases, I have a fear that in the dissolution of these companies many innocent stockholders, both poor and rich, are likely to be the victims.

Mr. WHEELER. We have heard much about the poor widows and orphans who are going to suffer.

Mr. TYDINGS. And the rich man is entitled to the same consideration as are the poor widows and orphans.

Mr. WHEELER. I agree with the Senator, but the utility people themselves never appeal on behalf of the rich man.

Mr. TYDINGS. I realize that.

Mr. WHEELER. They have appealed on behalf of their indispensable widows and orphans whom they have robbed.

Mr. TYDINGS. Does the Senator intend to add other language to page 58 so as to include the regulation of independent companies which have no tie-in at all with the utility interests?

Mr. WHEELER. Yes, Mr. President; I think we can work that out satisfactorily.

Mr. LONG. Mr. President, my objection to the pending bill is that it is entirely too lenient in its "Mellen food" provisions in the effort to regulate holding companies. The bill is not half strong enough as it is now written.

Mr. WHEELER. I may say that I agree with the Senator from Louisiana, that, instead of being too arbitrary, the drafters of the bill, as well as myself, have been too lenient.

Mr. LONG. Without any question this bill now contains many loopholes, and I have just read down to page 8. To begin with, Mr. President, the Supreme Court of the United States has two lines of jurisprudence. One relates to regulations enforcing acts of Congress and the powers of commissions; also the powers of States and the powers of the courts of States and of the United States to dissolve corporations which are transcending the limitations imposed by legislative bodies. That is no. 1. But there is another line of jurisprudence that comes in, and that is the line which says that management of a corporation cannot be controlled by any court or by any commission operating under Congress or under any State. As an example, we have the American Telephone & Telegraph Co., which owns the Western Electric Co. and the subordinate operating exchange telephone companies. During the years of the depression, 1929, 1930, 1931, and 1932, when the price of steel went down, when the price of wire went down, when the price of copper went down, and the price of all other commodities went down all the way from 25 to 60 percent, nonetheless the Western Electric Co. sold to the operating telephone companies the materials that went into construction and into the operation of those telephone companies at an advance in cost all the way from 25 to 60 and, in some instances, 160 percent, notwithstanding the fact that the price of such commodities was being reduced correspondingly along with other commodities of similar consequence at the time.

The Supreme Court of the United States has protected this practice; I do not say without proper warrant of law; I think probably they have had such warrant; but when we undertook to inquire into this kind of fraudulent transactions—it being no more and no less than highway robbery out in the open for the telephone company to buy material from itself—we ascertained that the A. T. & T. Co. controls the telephone output and therefore controls the purchasing market for telephone supplies, and it will not buy from anybody but the Western Electric Co. No other concern can be in the telephone supply business except the

Western Electric Co., because the A. T. & T. Co. are the only people who buy, and so nobody else can sell any such supplies.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. Does the Senator find anything in this bill having anything to do with the telephone utility-holding companies?

Mr. LONG. I am taking that as an illustration. No, they are left out, as I come to find out. I want to state to the Senator from Missouri that evidently he was not here when I started my remarks.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. LONG. I yield.

Mr. WHEELER. Let me say to the Senator from Missouri that at this session of Congress I introduced a joint resolution providing for an investigation of the telephone company and appropriating $750,000 for that purpose. The joint resolution was passed by the Senate and also by the House, and at the present time the Federal Trade Commission is investigating the telephone company and their practices. I am entirely familiar with them as the Senator will appreciate——

Mr. CLARK. If the Senator is "entirely familiar with them" there is no use spending $750,000 in the investigation.

Mr. WHEELER. I should not have said, perhaps, that "I am entirely familiar with them", for nobody is "entirely familiar with them." What we want to do is to have an investigation of the telephone situation the same as we had of the utilities. As to the latter, we have the facts and figures, not hearsay testimony, but we have the Federal Trade Commission's report of undisputed facts upon which we can base our action in this instance. We have not mere hearsay upon the floor of the Senate, not what somebody has been told about it, but facts which are undisputed. That is what we are basing this proposed legislation upon.

Now, in reference to the telephone company, as I have said, as chairman of the committee, I introduced that joint resolution, and it passed providing for the investigation, and the investigation is being conducted, but if we sought to include in this bill the railroad companies and the telephone companies the Senators know perfectly well, as everyone else must know, that we would never get any legislation through the present Congress.

Now we are seeking to have this legislation enacted because we have the facts; we know the evils that have been found by the Federal Trade Commission and by other agencies of the Government, and we are endeavoring to enact legislation to cure those evils at this time.

I am reminded, I may say, of what Seward said to Lincoln during the days of the Civil War. Seward, being Secretary of State, called on Lincoln and said that unless Great Britain should stop certain practices he wanted to declare war upon Great Britain. Mr. Lincoln replied and said, "Let us have one war at a time."

Mr. CLARK. Mr. President, if the Senator from Louisiana will yield further—I do not wish to take his time, for I know it is limited——

Mr. LONG. I yield.

Mr. CLARK. I should like simply to suggest to the Senator from Montana that I voted for his joint resolution to appropriate $750,000 to investigate the A. T. & T., which I would not have done had I known that he already was familiar with all the facts, as I understood him to say a moment ago.

Mr. WHEELER. The Senator misunderstood me.

Mr. CLARK. It does seem to me that there is no difference between the evils of a holding company, whether it be a railroad or a gas or a electric holding company or a telephone holding company; the evils would necessarily be inherent in the set-up of the holding company, and, therefore, I cannot understand leaving out a very large portion of the most formidable holding companies of the country.

Mr. LONG. Let me say that the Senator from Missouri is saying what I had just said and was intending a little further on to amplify.

The Senator from Montana and his colleagues on the Interstate Commerce Committee apparently have realized that the whole force of fraud was too big to fight in one battle. That is what the situation is. They have realized that these brigands and highbinders, all combined, are too powerful for Congress to engage in one single battle with them. My experience is that they are a pretty tough lot to get into a fight with. I have been impeached about 16 times by the State legislature trying to fight two of them, and probably my example was of some force with the committee. However, this bill has already been far too much compromised; it is not strong enough; it is not half strong enough. The bill ought not to contain the exceptions on page 8 that are now written into it, because with them it does not mean a thing on the living earth, except that these corporations can come to Washington and get hold of the Commission. That means this bill is not worth the paper on which it is written; and that is just what is going to happen. I have been dealing with these commissions for the last 20 years.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. WHEELER. Let me say in that particular that one of the amendments which is going to be offered to this bill by the Senator from Illinois [Mr. DIETERICH] to section 11 provides exactly the things the Senator is condemning and everyone else is condemning, and, if adopted, would simply enable the Commission to say, "Any of you people may come down here, and if you can show this and show that, then you may be exempted from the operation of this bill." It would simply result in pressure being brought upon the Commission and make it impossible for them to take the action which they should take.

This morning I received something like 2,000 telegrams. By whom were they sent? They were sent by the utility representatives, through their propaganda agencies. To show what an excellent job they can do, this morning after the delivery of my radio speech last night, there were 2,000 telegrams, sent by whom? They were sent by people on whom the utility representatives had called, because they knew previously that I was going to make the speech.

The PRESIDENT pro tempore. The time of the Senator from Louisiana on the amendment has expired.

Mr. LONG. Very well. I will take my time on the bill.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. LONG. I yield to the Senator from Kentucky.

Mr. BARKLEY. Appreciating all the Senator from Louisiana has said and all the Senator from Missouri has said about holding companies in general, I desire to emphasize the difficulty of dealing with the whole subject in one piece of legislation.

The Committee on Interstate Commerce has been investigating railroad holding companies for a number of years. The investigation which the Committee on Banking and Currency conducted of the stock market in New York, lasting over 2 years, revealed one of the most glaring frauds in the matter of holding companies dealing with railroads in this country; but we cannot deal with railroad legislation in the same measure in which we deal with public utilities generally. It is a very serious question whether some day the holding company must not be abandoned as an ailment of American business in all lines.

Mr. LONG. They all ought to be abandoned.

Mr. BARKLEY. But we cannot do that in one measure, and therefore we ought not hesitate to do our duty with respect to the situation covered by the pending bill and wait a more convenient season for dealing with the others.

Mr. LONG. Mr. President, that is what I am pointing out. This bill is not going to accomplish a great deal of good; it will do some good; it is in the right direction; it is along the right road; but the two greatest offenders in this country are the Oil Trust and the Telephone Trust, and I think right next to them are the Power Trust and the Gas Trust. I am willing to get any one of the criminals and all the criminals at one time, because criminals they are under natural laws

which ever since I came to the age of reason I have been taught to believe show the difference between right and wrong.

I hope we are not going to continue to emasculate this bill. I am very sorry the provision on page 8 is found in the bill. Why am I sorry? Because, notwithstanding the case of the Ohio Oil Co. against the Interstate Commerce Commission, which occurred, I suppose, back in Two Hundred and Thirty-fourth United States Reports, away back perhaps 30 years ago, the Interstate Commerce Commission, which was given jurisdiction over the pipe lines of the Standard Oil Co. and the Prairie Gas & Pipe Line Co., which had an interwoven monopoly, the I. C. C. has never raised a finger for 30 years against that gigantic fraud. They did not have to come down here and undertake to get exempted. The Commission did exempt them from the day the Commission won the case in the United States Supreme Court, although this gigantic fraud was condemned as being an imposition upon the producer and upon transportation and upon the markets of the world. Nonetheless, they have been given absolute carte blanche from the day of the decision of the United States Supreme Court to the present time.

The fact, further, is that this same corporation, the Standard Oil Co., is today the controller of the gas market of the United States. Through its controlled, interlocked, interwoven pipe lines it controls the transportation and distribution of oil and gas throughout the United States today, if it does not control their actual production. Today we have a bill to control the gas companies, and we have a proviso to exempt the Standard Oil Co. I say we have a proviso to exempt the Standard Oil Co. because, if there shall happen in the future what happened in the past—and I have only that lamp to guide my feet—the Standard Oil Co. will be exempted by these boards and commissions just as it has been exempted for 30 years.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. CLARK. I do not know whether the Senator is familiar with the fact that there is a difference between the original committee print of the bill as reported by the committee and the bill now before the Senate. There are a number of changes, not in one paragraph alone, but in several paragraphs, which do exempt at least the Standard Oil Co. of New Jersey. I am advised that only two companies are exempted, the Standard Oil Co. of New Jersey and a copper company, largely controlled by the Mellon interests, which are exempt under provisions as they read after these changes have been made.

Mr. WHEELER. Mr. President, that statement is not quite correct.

Mr. CLARK. To correct that situation I shall later offer an amendment, which I understand the Senator from Montana will accept.

Mr. WHEELER. In order that there may not be any misunderstanding, let me say that what we are seeking to do is to regulate public utilities. During the discussion the Senator from Maine [Mr. WHITE] and other Senators came to me and said, in effect, "Here is a manufacturing concern in my State that is only incidentally interested in the utility business. It sells its little surplus." Some other manufacturing concern might come under the provisions of the bill simply because of its interstate business, which is only incidental. We agreed to accept amendments to eliminate such concerns from the bill, because what we are after is the holding company as it applies to the utility industry.

Mr. CLARK. I do not desire to take the time of the Senator from Louisiana, which I know is limited, because I wish to take up this subject matter in my own time; but the Standard Oil Co. of New Jersey unquestionably own great pipe lines extending all over the United States, from Amarillo to Chicago, from Amarillo to Denver, and through Ohio and other States. They serve the city of Cleveland outright. They are exempted under the general provisions of the bill. The Senate has had no real opportunity to consider this matter. I also understand the Mellon holding company is exempt under the terms of the bill.

Mr. LONG. I understand the Senator from Montana is willing to make the correction contemplated by the amendment which is to be offered by the Senator from Missouri.

The Congress might as well find out how strong this Oil Trust is. I have had a little experience with it in and out of Congress and in and out of the State legislature. I want the United States Senate to find out how strong the Standard Oil Co. is. Is this the United States Senate of the Standard Oil Co., or is this the United States Senate of the people of the United States? That is what I want to find out.

I admit that the Senators who are members of the Interstate Commerce Committee probably used good judgment in a way, but we cannot yield to the Standard Oil Co. They will tear this bill to pieces. It will not be worth a thing after they get through with it. I attended but one meeting of the committee when it was considering the bill, and I do not mind telling why. I am a member of the Interstate Commerce Committee and I gave my proxy to vote to the chairman of the committee, and told him to vote me as he voted throughout on the bill. Had he had my experience I believe he would have put the clamps on a little bit quicker and saved the situation. I believe he would have said, "We are going to halt you brigands right here, and no further shall you go." Then we hear the cry, "You are about to dissolve one of these corporations. You are about to interfere with these evil practices." They have the blood of Cain on their hands, and yet come crying here to somebody that we are about to dissolve these self-confessed, convicted swindlers and thieves who are robbing everybody from the orphan up and the country down.

Then there is some talk that we should be very careful and very meticulous lest we wade in and step on some geranium that is planted here. This bunch of thieves and criminals who have robbed the country, who have familiarized themselves with the payment of every insurance policy and the day it is paid, and have gone to the widow and laid before her some stock that was watered up to about 40 times its real value and sold it to her, now come in and make a great fuss and pretense and tell us we had better be careful where we are trampling.

The Standard Oil Co., if the Senator from Missouri [Mr. CLARK] is right, has already eliminated itself. The telephone company has eliminated itself. We have had an investigation by the Interstate Commerce Commission or the Federal Communications Commission. I want to call attention to the fact that the telephone company has been under the jurisdiction of the Interstate Commerce Commission for 40 years, and nothing has ever been done about interstate telephone practices and rates since the Commission has been in existence. I am fresh from a case where they segregated their intrastate business from their interstate business, showing a high profit on their interstate business in order that they might show a correspondingly low return on their intrastate business, and notwithstanding the constant showing of that kind of immense profit on their interstate business we have never been able to get a word out of the Interstate Commerce Commission, nor have we been able to get them to do anything with the telephone company.

The Telephone Trust has gone ahead as it pleased. The Standard Oil Trust has gone ahead as it pleased. They have reached in and taken over the gas properties, and about all that is left in the business today, as I see the bill, is electricity, and I do not know whether there is much left in connection with it or not.

If we are going to have a bill let us have a bill and not just a guess. I am not so friendly with the administration that is now in office. I was not so friendly with the administration that passed out a couple of years ago, nor am I with the one that is now in. I think I have sensed somewhere in the air a funny feeling about the matter. The Senate passed the T. V. A. bill and it went over to the House. The House has tied up the T. V. A. bill. Does anyone here have so little sense as not to know, that it is the same administration up in the White House that is running the

House of Representatives and can do with the House of Representatives whatever it wants to do, that it could bring the T. V. A. bill out tomorrow morning if it wanted to do so? Does it think it can put that kind of a halter around my simlin head and expect me not to know it? Anybody who has followed the situation knows that the Members of the other body are being flooded with patronage, that all kinds of jobs are being handed out to them, and that is what is controlling the situation. I know it whether anybody else knows it or not. I do not have to put my head up against a brick wall and refuse to see what I know is there.

Further, if we have to yield and let the Standard Oil Co. get out and the Telephone Co. get out, I know what is the cause of that, and at this time we ought to know why Mr. Vincent Astor's Chase National Bank-Standard Oil-Rockefeller Co. is out of this bill or in this bill.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 18, after the word "evils", it is proposed to strike out the words "connected with the public-utility holding company as enumerated in this section" and insert in lieu thereof the following:

As enumerated in this section, connected with the public-utility holding companies which are engaged in interstate commerce or in activities which directly affect or burden interstate commerce.

Mr. McKELLAR. Mr. President, on Friday I offered practically the same amendment to come in after line 3, on page 6. After talking with the chairman of the committee, the wording was slightly changed in order to make it conform to the recent decision of the Supreme Court. The chairman of the committee said he was willing to accept the amendment.

Mr. WHITE. Mr. President, may I ask the Senator where the amendment comes in?

Mr. McKELLAR. It comes in on page 5.

Mr. WHITE. Is that page 5 of the old print or page 5 of the new print of the bill, showing the amendments agreed to?

Mr. McKELLAR. It is page 5 of the old print of the bill. If the Senator will look at line 18, I will explain just how the amendment comes in.

Beginning on page 5, at line 15, the bill reads:

(c) It is hereby declared to be the policy of this title, in accordance with which policy all the provisions of this title shall be interpreted, to meet the problems and eliminate the evils—

As it is now, after that these words occur—

connected with the public-utility holding company as enumerated in this section.

That language I propose to strike out, and to insert the definition recently given by the Supreme Court in the Schechter case, so that it will read:

Connected with public-utility holding companies which are engaged in interstate commerce, or in activities which directly affect or burden interstate commerce.

To my mind, the amendment would go very far to insure the constitutionality of the measure, because it would bring it directly within the decision of the Supreme Court in the Schechter case.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I have another amendment which I do not believe we have entirely agreed upon.

On page 52 of the reprint of the bill, beginning at line 12, subsection (f), the language has been amended to read as follows:

In any proceeding in a court of the United States, whether under this section or otherwise, in which a receiver or trustee is appointed for any registered holding company, or any subsidiary company thereof—

And I call especial attention to the language I am now going to read—

the court shall have power, and, at the request of the Commission, it shall be the duty of the court, to constitute and appoint the Commission as sole trustee or receiver, subject to the directions and orders of the court.

That language is an improvement on the language of the original bill; but I desire to suggest to the chairman of the committee that in lines 15, 16, and 17 the words "shall have power, and, at the request of the Commission, it shall be the duty of the court to" be stricken out, and the word "may" inserted, so that, if amended, it will read as follows:

In any proceeding in a court of the United States, whether under this section or otherwise, in which a receiver or trustee is appointed for any registered holding company, or any subsidiary company thereof, the court may constitute and appoint the Commission as sole trustee or receiver, subject to the directions and orders of the court.

I offer that amendment, Mr. President. I hope the Senator from Montana will accept it; and I will say to him that I should then be perfectly willing to offer the suggested amendment which the Senator handed me a few moments ago, which would accord with the words I have just offered.

Mr. WHEELER. Mr. President, let me say to the Senator from Tennessee, referring to his tendered amendment, that the purpose of the amendment on page 52 as it stands at the present time is to do just exactly what the Senator from Maryland [Mr. TYDINGS] a moment ago said should be done; that is, that in this bill we should do everything possible to protect investors under a reorganization plan.

When a reorganization plan is offered, if the utilities can go to some one of the Federal judges and pick out a receiver or a trustee who is friendly to them, they can perpetrate a fraud and a racket upon the investor.

I appreciate the fact that the Senator from Tennessee is absolutely in sympathy with the purpose expressed in this bill; and, as I understand, the only thing the Senator is afraid of is that the court may say, "I have the power and the right to appoint anybody I wish to appoint as receiver or trustee, and the Congress of the United States has not any right to limit my discretion in appointing a trustee or receiver."

Remember that under the language of the bill we say that the Commission shall be appointed. Of course, that means that when the Commission shall be appointed receiver, it will pick out either one of its members or some one of its officers to administer the trusteeship or receivership.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield to me for the purpose of asking a question?

Mr. McKELLAR. Yes; I yield to the Senator from Missouri.

Mr. CLARK. Does the Senator from Montana know any reason on earth why Federal Commissioners appointed by the President and confirmed by the Senate necessarily have a higher standard of honor, or a higher standard of any sort, than a Federal judge appointed by the President and confirmed by the Senate?

I must say to the Senator from Montana that I cannot go along with him in this statement that somebody may sneak in to one of the Federal judges. Somebody is just as likely to sneak in to a member of the Federal Securities Commission.

Mr. McKELLAR. Mr. President, I understand and fully appreciate the argument of the Senator from Missouri; but that is not exactly the matter to which I am attempting to direct my remarks. Here we have a nominal jurisdiction granted to the court to appoint a receiver, but actually the Commission can appoint whomsoever it pleases. If this language, "shall have power, and, at the request of the Commission, it shall be the duty of the court, to" be stricken out, and the word "may" inserted in lieu thereof, I have no doubt in the world that the court will invariably confer with the Commission before it makes an appointment.

I desire to say to the Senator from Montana that, in my judgment, if he attempts to give authority to the Commission to appoint the trustee, or to appoint itself trustee, while ostensibly giving that authority to the court, it is sure to bring about trouble. I really believe the Senator from

Montana will make a great mistake if he does not accept language that will bring about a reasonable settlement of this matter in conformity with the well-known principles of law and practice in such cases.

I do not agree with the Senator from Montana that Federal judges are dishonest or corrupt. If they appointed somebody in the interest of these companies, they would be acting fraudulently and corruptly. So far as I am concerned, I am a great believer in the court; and I think it is most essential to leave this provision in the nature of an advice or a direction to the court, but not make it the duty of the court to appoint the Commission. By the way, I think the paragraph would be very much stronger if it provided for the appointment of some member of the Commission. When the Commission itself is appointed, it may mean the office boy, or it may mean a member of the Commission. We do not know who it will be. It is a "cat in a bag."

Mr. CLARK. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes; I yield.

Mr. CLARK. The principle of the bill is not to vest any discretion in the Federal courts, but to vest every and any sort of discretion in the Securities Commission.

Mr. McKELLAR. The Members of the Senate, in view of their recent experience, ought to know that it is a dangerous thing for one branch of the Government to trespass upon the rights of another branch.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McKELLAR. Yes; I yield.

Mr. BARKLEY. I appreciate the force of what the Senator says. Of course, this is an administrative duty of the court. It is not like telling the court how to decide the law, or as to equities among investors, or how a reorganization shall be brought about. The appointment of receivers is an administrative matter which is performed by courts.

Mr. McKELLAR. Why not take away from the courts the right to appoint a receiver and vest it in the Commission?

Mr. BARKLEY. I think Congress has the power to direct a court which is its creature with respect to the appointment of receivers.

Mr. CLARK. Mr. President, if the Senator will yield——

Mr. BARKLEY. Just a moment. Another thing that enters into the matter is to avoid, as the Senator from Montana has repeatedly said, the appointment of outsiders, or insiders, as a matter of fact; and that is no reflection on the integrity of the court. We all know how frequently these things come about. Application is made to the court for the appointment of a receiver or a trustee——

The PRESIDENT pro tempore. The time of the Senator from Tennessee on the amendment has expired.

Mr. CLARK. Mr. President, I claim the floor in my own right on the amendment.

The PRESIDENT pro tempore. The Senator from Missouri is recognized on the amendment.

Mr. CLARK. I should like to reply to what the Senator from Kentucky has said, if the Senator from Tennessee will permit me to do so.

Mr. McKELLAR. I shall be very glad to have the Senator do so.

Mr. CLARK. Then I shall be very happy to permit the Senator from Tennessee to consume the rest of my time, because I have been trespassing on his time.

I think the Senator from Kentucky has misstated the theory of a receivership. The theory of a receivership is that the insolvent property is intrusted to the jurisdiction of the judge, the head of the judicial system in that jurisdiction.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. McKELLAR. I imagine the framing of this particular language was brought about—indeed, I am rather inclined to think the chairman of the committee told me it was—because of many scandals in the appointment of receivers. We all know that that has taken place; but with this language changed as I propose to change it, a repetition of such scandals would be almost impossible.

Mr. CLARK. Mr. President, if the language which the Senator has proposed to insert in the bill is offered as a result of just criticisms or unjust criticisms of Federal receiverships, the remedy is to change the law, and, if necessary, to change the Constitution so as to make it easier to impeach or to remove Federal judges who misuse their offices.

The whole theory of a receivership is that the insolvent estate is put into the hands of a judge; and when a receiver is appointed, according to the theory of the law as it has always been up to the time this particular measure came along, the theory has been that the receiver was merely the agent of the court, for whom the court was responsible, over whom the court exercised the ultimate control; and we all know that judges have been impeached, and once in a while a judge has been convicted, because of the acts of his receivers.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. CLARK. In just a moment. This proposition, Mr. President, is simply to restrain the discretion of the judge, as the Senator from Kentucky [Mr. BARKLEY] very well said, to make his office a mere administrative one, removing all responsibility whatever from the judge.

Mr. BARKLEY. Mr. President, if the Senator will yield, let me say that the bill does not do that.

Mr. CLARK. Mr. President, I insist that it does do that. I shall be glad to yield to the Senator from Kentucky in just a moment. I wish, first, to finish this thought.

This proposition is to do away with the whole principle of agency of the court, which the whole receivership theory has always been.

Now I yield to the Senator from Kentucky.

Mr. BARKLEY. The language which has been included in the amendment of the Senator from Montana negatives the very suggestion, because, after the appointment of the Commission as receiver, it is subject to the directions and orders of the court.

Mr. CLARK. In other words, Congress is to appoint an agent and then hold the Federal court responsible for the acts of the agent. That is the Senator's proposition, as I understand. I agree with the Senator from Tennessee that the present form of the section is a very great improvement over the original section.

Mr. McKELLAR. There is no question about it.

Mr. CLARK. But the Senator wants a Federal judge to appoint an agent, and he may be any agent the Commission may nominate. He may be the office boy, as the Senator from Tennessee said, or he may be any sort of a young lawyer. The court appoints the Commission, and then the Commission sends out an emissary to act as its agent.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. WHEELER. Let me say to the Senator that this does not change the bill in any way. There is a precedent for it at the present time in a law which was enacted during a recent session of the Congress. In applying the rule to the reorganization of railroads, we provided that when a petition was filed with the Federal court, the court should make a selection from a panel. We did not provide that he had to appoint a receiver, but that if he appointed a receiver he had to make his selection from a panel furnished him.

Mr. CLARK. I am very familiar with that act, and I have very grave doubt as to its constitutionality, so far as any compulsion on a judge to select a trustee from a panel is concerned. Nevertheless, that is essentially a different proposition from the one before us.

Mr. WHEELER. The same principle applies, for the reason that these courts are statutory courts. When the Senator talks of its constitutionality, I reply that there cannot be any question as to its constitutionality.

Mr. McKELLAR. I am not sure that the Senator is right about that.

Mr. WHEELER. There is no question about the constitutionality of it. There may be some question about the wisdom of the policy.

Mr. CLARK. I did not say a word about the constitutionality. The Senator is putting words into my mouth which I did not use. I said I had very grave doubt as to whether the act to which the Senator referred, compelling a Federal judge to appoint trustees from a particular panel, is constitutional; and I do have grave doubts as to its constitutionality. That is essentially a different proposition, and entirely immaterial to the argument now being made.

Mr. WHEELER. These courts are constitutional courts. The only jurisdiction they have is what the Congress of the United States has granted them, and one of the powers Congress has granted to these judges is, under the equity procedure, to appoint trustees and receivers under certain circumstances. If we have the power to give them that authority, we have the power to limit their jurisdiction with reference to it.

I myself felt that the bill as it originally came before us, where it provided that the Commission could throw companies into bankruptcy, was too broad, and I worked out with the Senator from North Carolina [Mr. BAILEY] an amendment, which was offered and which has been adopted.

Mr. CLARK. That amendment has been adopted?

Mr. WHEELER. Yes.

Mr. McKELLAR. There is an amendment to the amendment here.

Mr. WHEELER. An amendment has been adopted which the Senator from North Carolina and I worked out. I have no interest in the matter, and nobody else has, except that, so far as it is humanly possible, we want to protect the investors who, the utility people say, will be ruined. I know, as a matter of fact, that one of these companies which has been one of the worst in the United States will probably apply to the courts in a very short time for a receivership or trusteeship for the purpose of reorganizing, because it is in such shape that that must be done. I know just as well as that I am standing here that if that is done they expect to go into the Federal court and undertake to have trustees and receivers appointed, and without casting any reflection upon any court, we do not need to do that. The Senate of the United States, under the leadership of the Chairman of the Judiciary Committee of the Senate, has been investigating receiverships from one end of the country to the other, and every Member of the Senate who has followed the investigation knows that there has been wide-spread scandal.

Mr. CLARK. Mr. President, as the Senator knows I am not in agreement with a great many things which have happened in connection with the Federal courts; but I emphatically and violently disagree with the Senator from Montana in his belief that a commission set up in Washington is necessarily infallible, and will always be pure, and will always be superior to the wisdom of any Federal judge.

A few years ago, during the administration of the late President Wilson, the Federal Trade Commission was set up. The original personnel of that Commission was particularly designed and appointed for the purpose of carrying out the purposes of the Federal Trade Commission Act. In fact, several members of the Commission first appointed to the Commission had participated in the drawing of the act. As I understand, it is contemplated that if the measure before us shall be enacted, some of the men who have participated in drafting it will be appointed on the Securities Commission, which up to date has done exceedingly well.

President Wilson died, the party which sponsored the Federal Trade Commission Act was defeated and driven from power, and one of the first acts of President Harding was to appoint on the Federal Trade Commission Mr. William E. Humphrey. I do not wish to reflect on Mr. Humphrey, who is dead. As a matter of fact, he was a personal friend of mine in his lifetime, when he served in the House of Representatives. But his whole conception and his whole idea of the function of the Federal Trade Commission was diametrically opposite to that of the President who had recommended the establishment of the Federal Trade Commission, and the Representatives and Senators who had led the fight for its creation. He proceeded completely to reverse the whole theory of the function of the Federal Trade Commission.

I see a man in the press gallery at this moment who took an interview from Mr. Humphrey in which Mr. Humphrey specifically said, "What the hell do you think I was appointed for?" In other words, he was appointed for the sole purpose of reversing the entire intent and purpose of the Federal Trade Commission Act.

I say that I very violently disagree with the theory of the Senator from Montana and of the other sponsors of the bill that any sort of a commission functioning from Washington, through emissaries, or agents, or attorneys, is to be preferred in its discretion to a Federal judge, appointed to one of the very highest honors in this country, appointed by the President usually after careful and most meticulous selection, and confirmed by the United States Senate.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. McKELLAR. In line with what the Senator is saying, I should like to repeat something I think I mentioned on the floor of the Senate the other day. The representative of a commission now in existence in Washington came to the Capitol to see about a bill being considered before the Committee on Post Offices and Post Roads, of which I am chairman, and he brought with him a man who had charge of the particular department concerned with the bill. From the way he acted and from what he said I judged that the latter gentleman was not connected with the commission at all, but represented the companies which were interested.

The PRESIDING OFFICER (Mr. HATCH in the chair). The Senator from Tennessee has already exhausted his time.

Mr. McKELLAR. I am speaking in the time of the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri has also exhausted his time.

Mr. McKELLAR. Then I will speak in my own right.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. McKELLAR. I have time on the bill.

The PRESIDING OFFICER. The Senator from Tennessee is recognized on the bill.

Mr. HASTINGS. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. HASTINGS. Let me call the attention of the Senator from Tennessee to the last four lines of paragraph (f), which we are now discussing, in response to the suggestion that the Commission is to be appointed receiver because of the bad conditions which have been developed in connection with the appointment of receivers. Most of those criticisms are due to the compensation allowed receivers. But in the very bill before us it is provided that the Commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceeding as the court may allow. I should like to inquire how that relieves us under any condition of the trouble we have experienced in the past.

Mr. McKELLAR. Mr. President, I may say that I hope to have those lines stricken out, because I think that is an open invitation to bring about the very state of scandal of which the Senator from Montana, the chairman of the committee, spoke a few moments ago, and I do not think such a provision ought to be in the bill.

Mr. GORE and Mr. CLARK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield; and if so, to whom?

Mr. McKELLAR. I yield first to the Senator from Oklahoma.

Mr. GORE. I rose to say to the Senator from Delaware that I intend to move to strike out the language to which he has referred and the whole provision. I think it would be a nest of scandal and ought not to be in the law.

Mr. CLARK. If those lines remain in the bill, would not the language authorize any Federal judge who happened to be particularly amenable to Federal influence to mulct the

stockholders or the security holders of any of these companies in any sum that a commission might wish to pay any agent who was sent out?

Mr. McKELLAR. I think the language is very unfortunate, and I very much hope the chairman of the committee will be willing, as I believe he will be, to strike it out.

Mr. WHEELER. Mr. President, will the Senator yield to me?

Mr. McKELLAR. I yield.

Mr. WHEELER. I was interrupted, but I believe the Senator was referring to the compensation feature.

Mr. McKELLAR. Yes; as provided on page 57.

Mr. WHEELER. The intention was not to provide for the payment of compensation but for the payment of expenses. The Senator from Oklahoma [Mr. GORE] called my attention to it, and I said to the Senator from Oklahoma that I thought the most the commission ought to be paid was simply the actual expenses they incurred.

Mr. CLARK. Will the Senator from Tennesse yield?

Mr. McKELLAR. I yield.

Mr. CLARK. If the Commission should choose to appoint a lawyer and pay him $100,000 a year to act as attorney for the Commission in the receivership of some company, and the court chose to approve it, that would bring back every vicious practice that has ever been complained of and many more.

Mr. McKELLAR. I agree with the Senator from Missouri entirely. I think it would invite trouble of the kind which it is desired to avoid, and I am quite sure, knowing the chairman of the committee as I do, that he will not insist on that language remaining in the bill.

Mr. WHEELER. If it is desired to strike out the words "The commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceeding as the court may allow", I am quite willing to have them stricken out.

Mr. McKELLAR. I move that the language in lines 15, 16, 17, and 18 on page 53 of the bill be stricken out.

Mr. BARKLEY. Mr. President, there is an amendment pending. Another cannot be offered until the pending amendment shall have been acted upon.

Mr. GORE. I wish to express my hearty concurrence in that amendment. I had intended to make that motion. I discussed this matter with the chairman of the committee last week, and he indicated not only a willingness but a desire that this language should be modified, and that nothing more than expenses should be allowed. I think even expenses should be limited.

Mr. WHEELER. Has that motion been acted on?

Mr. McKELLAR. It has not been acted on.

The PRESIDING OFFICER. The parliamentary situation is as follows: There is pending an amendment offered by the Senator from Tennessee which has not been acted on.

Mr. McKELLAR. If it is not in order, I ask to withdraw my previous amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

Mr. McKELLAR. I now wish to say to the chairman of the committee and to the Senate that I am very anxious to vote for this bill, but I am also anxious that it be a constitutional measure. I have talked it over with the Senator from Montana a number of times. The language on page 52 which I ask to have stricken out is as follows:

> The court shall have power, and, at the request of the Commission, it shall be the duty of the court, to constitute and appoint the Commission as sole trustee or receiver.

I think that language ought to be eliminated. The courts are going to construe this bill; the courts are going to determine what this bill means; and we are here saying to the courts, "We have no confidence in you. Ordinarily it is true you appoint receivers, but we are going to take this power away from you. We are going to invade your province and take this power away from you." I do not think we ought to pass such legislation. I do not think by this bill we ought to slap the courts in the face.

I believe in courts. Sometimes they do wrong, of course; they sometimes fail to do what they ought to do. They are not perfect; but neither are commissions perfect. From my experience with commissions and with courts, I believe I would rather trust the courts.

Mr. WHEELER. What the Senator wants to do is to strike out the language:

> The court shall have power, and at the request of the Commission, it shall be the duty of the court—

And so forth?

Mr. McKELLAR. And insert the word "may", so as to indicate that is what Congress wants to be done, but not control the court or undertake to control the court.

Mr. WHEELER. I will be willing to take that language to conference.

Mr. McKELLAR. I thank the Senator, and I hope the amendment will now be voted on, and then I will offer the amendment which I have just withdrawn.

Mr. GORE. Mr. President, I wish to suggest an amendment which I think the Senator from Tennessee will accept.

Mr. McKELLAR. Is that with reference to the pending amendment striking out the language I have just indicated?

Mr. GORE. No.

Mr. McKELLAR. Will the Senator let that amendment be voted on first?

Mr. GORE. I wish to insert the words, "The Commission or any member thereof."

The PRESIDING OFFICER. The pending amendment will be stated.

The CHIEF CLERK. In the original copy or print of the bill——

Mr. CLARK. Mr. President, which is the original copy? We have had so many copies of this bill that it is difficult to know just what copy is being referred to.

Mr. McKELLAR. Let us have the language stated, and then we will know which copy is being used.

The CHIEF CLERK. On page 50——

Mr. CLARK. Mr. President, is the clerk reading from the original copy, S. 2796, or the reprint?

Mr. WHEELER. The clerk is reading from the original bill.

The PRESIDING OFFICER. The bill before the Senate is S. 2796, reported May 13, calendar day May 14, 1935.

Mr. McKELLAR. If the clerk will read the language, I am quite sure we will be able to tell from which copy of the bill he is reading.

The CHIEF CLERK. On page 50, line 22, it is proposed to strike out—

> The Commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceeding as the court may allow.

Mr. CLARK. I suggest to the Senator from Tennessee that the language of that entire section has been somewhat changed by the latest amendment.

Mr. BARKLEY. Mr. President, we are dealing with the original bill without these italicized amendments. They were printed for the convenience of Senators, but in the RECORD we are considering the original bill.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK. Do I understand on page 52 of the latest print the language in italics—

> In any proceeding in a court of the United States, whether under this section or otherwise—

and so forth, has not been adopted by the Senate?

Mr. BARKLEY. It has been adopted. We agreed Friday to print the amendments in the bill which had been adopted, so that Members could see what had been acted upon, but in the consideration of the bill as a matter of record for the Journal we must consider, I suppose, the original bill, and the changes in it, without regard to these amendments.

Mr. McKELLAR. In order to obviate that difficulty, if the Senator from Missouri will let us vote on the motion to strike out the language referred to on page 53, then I will ask for a reconsideration so we can vote on the other amendments.

Mr. WHEELER. Mr. President, I wish to address myself to the Senator from Tennessee [Mr. McKELLAR] and the

Senator from Missouri [Mr. CLARK]. If this language is changed to "may" and is agreed to, would the Senator have any objection to putting in the bill a provision—this language was just called to my attention by the Senator from Washington [Mr. SCHWELLENBACH]—to the effect—

Provided, That before the court shall appoint any receiver or trustee it shall notify the Commission of the fact that it is about to appoint such receiver or trustee.

Mr. CLARK. I would not have the slightest objection to that, and more than that, I think that such an amendment ought to be adopted. The Commission ought to be made a party, given the right to be heard, given a standing in court, but it should not be made mandatory on the court to accept the Commission's ukase.

Mr. McKELLAR. I think the language which the Senator from Montana himself has suggested, which he showed me a while ago, will cover that point.

In any proceeding in which the Commission is appointed trustee or receiver the Commission shall designate a member or officer thereof to carry out the directions or orders of the court.

Why would that not cover it?

Mr. WHEELER. No; it would not quite cover it.

Mr. McKELLAR. If the Senator will change it, I am quite sure we can agree on it.

Mr. CLARK. Mr. President, will the Senator from Tennessee yield?

Mr. McKELLAR. I yield.

Mr. CLARK. If I understand the intention of the Senator from Montana, it is that in any proceeding in which a receiver is applied for, before the receiver shall be appointed the Commission shall be notified and given an opportunity to be heard.

Mr. McKELLAR. I have no objection to that.

Mr. BARKLEY. That amendment ought to be worked out carefully.

Mr. McKELLAR. That can be done later.

Mr. CLARK. That amendment should be carefully drafted.

Mr. WHEELER. I will work it out, Mr. President. That is the language which the Senator from Washington [Mr. SCHWELLENBACH] suggested to me.

Mr. CLARK. Yes.

Mr. GORE. Does that mean that the court is to appoint someone else than the Commission or a member of the Commission?

Mr. McKELLAR. No.

Mr. GORE. I wish to suggest that the Senator include in the final draft some amendment including compensation which shall be paid receivers, whether appointed by the court or whether the Commissioners act as receivers.

Mr. McKELLAR. I think the best way is to let this language be stricken out, as proposed in the pending amendment, and then if there is other language offered it can be taken up later.

Mr. GORE. That will require a motion to reconsider.

Mr. McKELLAR. I ask that a vote may be had upon the pending amendment.

Mr. HASTINGS. May we have the amendment stated?

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 50, line 22, to strike out the words—

The Commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceeding as the court may allow.

Mr. BORAH. Mr. President, what copy is the clerk reading from?

Mr. McKELLAR. Mr. President, the language is exactly the same in whatever copy the Senator has. The language has not been changed at all.

Mr. STEIWER. In one copy it appears on page 53.

Mr. BORAH. The clerk said "page 50."

Mr. McKELLAR. It is on page 53 in one copy and on page 50 in the other.

Mr. BORAH. May we have the amendment again stated?

The CHIEF CLERK. It is proposed, on page 50 of the print which has no amendments on it, line 22, to strike out the following language:

The Commission shall be entitled to such reasonable compensation for its services as trustee or receiver in any proceedings as the court may allow.

The PRESIDING OFFICER. Is there objection to the amendment of the Senator from Tennessee?

Mr. BORAH. I have no objection to the amendment, but I should like to know where it is in the bill.

Mr. McKELLAR. I will show it to the Senator. It appears on page 50 of the original draft of the bill.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. McKELLAR. Mr. President, I move to strike out, on page 52, lines 15, 16, and 17, the words:

shall have power, and, at the request of the Commission, it shall be the duty of the court to—

and insert the word "may."

Mr. BARKLEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BARKLEY. Has the Senator secured reconsideration of the vote by which this amendment was adopted on Friday?

Mr. McKELLAR. Is that necessary?

Mr. BARKLEY. Yes.

Mr. McKELLAR. I ask unanimous consent to reconsider the vote by which this amendment was adopted on Friday for the purpose of offering my amendment.

The PRESIDING OFFICER. The Senator from Tennessee asks unanimous consent that the vote by which the amendment was agreed to on Friday be reconsidered. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. McKELLAR. Now, Mr. President, ask that the clerk state the amendment.

Mr. HASTINGS. May I suggest to the Senator that it seems to me the Senate ought either to agree to follow the original bill which was reported by the committee or to follow the bill as reprinted.

Mr. McKELLAR. In this case we have to take the reprinted bill, because my amendment is in the form of an amendment to an amendment which was adopted the other day by the Senate.

Mr. CLARK. I think the Senator is in error as to that. I think the bill, with the amendments thereto, was reprinted for the convenience of the Senate, and that, in considering the bill, the Senate should refer to the original bill.

The PRESIDING OFFICER. The Chair will state that the original bill is used at the desk. The amendment offered by the Senator from Tennessee will be stated.

The CHIEF CLERK. On page 49, on motion of Mr. WHEELER, the following amendment was agreed to:

(f) In any proceeding in a court of the United States, whether under this section or otherwise, in which a receiver or trustee is appointed for any registered holding company or any subsidiary company thereof, the court shall have power, and, at the request of the Commission, it shall be the duty of the court to constitute and appoint the Commission as sole trustee or receiver subject to the direction and orders of the court.

In that amendment, the vote on agreeing to which has been reconsidered, Mr. McKELLAR proposes to strike out the words, "shall have power, and, at the request of the Commission, it shall be the duty of the court to" and insert the word, "may", so as to read:

the court may constitute and appoint—

And so forth.

Mr. GORE. Mr. President, I ask the clerk to read the words following the word "constitute."

The Chief Clerk read as follows:

Constitute and appoint the Commission as sole trustee or receiver, subject to the directions and orders of the court.

Mr. GORE. I move to amend by inserting after the word "Commission" the words "or any member thereof." I do that merely in the interest of simplifying the mechanics of the procedure.

Mr. WHEELER. I hope that will not be done, because I think it is much better that the Commission be appointed, and then the Commission may select one of its own members. I have worked that out with the Senator from Tennessee and we agreed upon an amendment which is satisfactory, and I think it is much better, if I may say so, not to add the words suggested by the Senator from Oklahoma.

Mr. McKELLAR. I think it will cover the very point the Senator from Oklahoma has in mind.

Mr. GORE. Very well; I am not familiar with the amendment; and, in view of that statement, I will withdraw mine. My assumption was, however, that the Commission would recommend one of its members to the court and that such member would be appointed. My purpose was to simplify the machinery.

Mr. STEIWER. Mr. President, I merely wish to observe that if the amendment suggested by the Senator from Tennessee shall be agreed to, the difficulty, partially if not entirely, disappears because it is simply permissive. The court is not bound to appoint the Commission. It may then appoint the Commission or any member of the Commission or possibly more than one member of the Commission, if the court, in its judgment, should deem it wise to do so. So if the amendment shall be agreed to by the Senate, the difficulty suggested by the Senator from Oklahoma will no longer exist. I think that affords an argument in behalf of the amendment of the Senator from Tennessee.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Tennessee to the amendment of the Senator from Montana.

The amendment to the amendment was agreed to.

Mr. McKELLAR. Mr. President, the chairman of the committee suggested in conference with me——

The PRESIDING OFFICER. The question now is on agreeing to the amendment as amended.

Mr. McKELLAR. Before that is done, let me say that the amendment I am about to suggest is an amendment to that section. I will ask the Senator from Montana, if he desires to have inserted the following words?—

In any proceeding in which the Commission is appointed trustee or receiver the Commission shall designate a member or officer thereof to carry out the directions and orders of the court.

Mr. WHEELER. I think that would be a good provision.

Mr. McKELLAR. I offer the amendment which I ask the clerk to state.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 50, after line 24, it is proposed to insert:

In any proceeding in which the Commission is appointed trustee or receiver the Commission shall designate a member or officer thereof to carry out the directions and orders of the court.

Mr. BARKLEY. Mr. President, I suggest that the word "may" be used instead of the word "shall." It might be possible in some cases that the whole Commission might desire to act.

Mr. McKELLAR. I have no objection to that modification.

The PRESIDING OFFICER. The Chair is advised that the parliamentary situation is such that the amendment now offered by the Senator from Tennessee does not relate to the amendment of the Senator from Montana, which has been amended. Therefore, the last amendment offered by the Senator from Tennessee is not properly in order at this time.

Mr. McKELLAR. The section has been reconsidered, and is still reconsidered.

The PRESIDENT pro tempore. The Senate only reconsidered the amendment.

Mr. McKELLAR. I ask unanimous consent that the section may be reconsidered, in order that I may present the amendment.

The PRESIDING OFFICER. The entire section does not have to be reconsidered. The question now properly before the Senate is on agreeing to the amendment of the Senator from Montana as amended by the amendment of the Senator from Tennessee. When action shall have been taken on that, then the Senator from Tennessee may present the amendment, and it will be in order.

Mr. BARKLEY. Let us agree on the amendment as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana as amended by the amendment of the Senator from Tennessee.

The amendment to the amendment was agreed to.

Mr. McKELLAR. Now I offer the amendment to which I have referred.

Mr. LONG. The amendment is now unnecessary, is it not?

The PRESIDING OFFICER. The question now is on the amendment offered by the Senator from Tennessee, which the clerk will state.

The CHIEF CLERK. On page 50, after line 24, it is proposed to insert the following:

In any proceeding in which the Commission is appointed trustee or receiver, the Commission may designate any member or officer thereof to carry out the directions and orders of the court.

Mr. HASTINGS. Mr. President, may I suggest to the Senator from Tennessee that it seems to me that is a very objectionable amendment. The suggestion is made that the court, as I understand, may appoint, but is not required definitely to appoint, the Commission to act as receiver.

Mr. McKELLAR. The amendment does not require the appointment of the Commission; but if the court should appoint the Commission, the Commission could select the person on motion to the court.

Mr. HASTINGS. Of course, the court could appoint anybody who had authority under a statute or otherwise to go and do the particular job for the Commission. In other words, it would make it certain that any careful court under no circumstances would appoint the Commission. I am not opposed to compelling them to appoint the Commission.

Mr. WHEELER. Mr. President, if there is any objection to the amendment of the Senator from Tennessee, let me say that I do not care anything about it at all, and I am perfectly willing that the amendment shall not be adopted. I have no interest in it.

Mr. McKELLAR. If there is any objection to it, I will not insist upon it. The amendment was just a part of the agreement I made with the chairman of the committee.

Mr. WHEELER. If there is any objection to it, I will ask the Senator from Tennessee to withdraw it.

Mr. McKELLAR. I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. CONNALLY. Mr. President, I desire to offer two amendments, which I ask to have lie on the table.

The PRESIDING OFFICER. The amendments will be received, printed, and lie on the table.

Mr. GORE. Mr. President, the withdrawal of the amendment of the Senator from Tennessee raises a point which I suggested a few moments ago, that the amendment offered by the Senator from Tennessee should be so amended that the court could appoint either the Commission or any member of the Commission. Then the commissioner appointed by the court would be an agency or officer of the court. The amendment just withdrawn would have enabled the Commission when once appointed by the court virtually to have selected the receiver for the court. It seems to me it would simplify the proceedings if the court were invested with the discretion of appointing as receiver either the whole Commission or any member of the Commission, it all being permissive, because I am not certain that we can dictate to the court whom it shall select as receiver.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.

Mr. BARKLEY. Mr. President, on Friday I offered three amendments which are of the same character, one in lines 1 and 2, page 58; one in lines 23 and 24, page 56; and the third in line 22, on page 69. The amendments went over. I now desire to call up those amendments and have them adopted.

The PRESIDING OFFICER. The first amendment offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. On page 58, line 1, it is proposed to strike out the words "engaged in a business of performing" and insert in lieu thereof the words "the principal business of which is the performance of."

The PRESIDING OFFICER. Without objection, the amendment is——

Mr. LONG. Just a moment. I do not know about this amendment. It comes in on page 58—what line?

Mr. BARKLEY. On page 58, lines 1 and 2.

Mr. LONG. I am sorry the Senator from Missouri is not here.

Mr. BARKLEY. I will say to the Senator from Louisiana that the language, as it now appears, would require to be regulated every concern engaged in the performing of service, whether incidentally or in only small degree or otherwise.

Mr. LONG. That is just the point I wish to make. I think I can convince the Senator about it. For instance, the gas-distributing business is incidental to the oil business, and the utility companies will want to get out on that ground.

Mr. BARKLEY. What we are trying to do is to regulate the set-up companies which are controlled by holding companies, the officers of which sit down at a table and deal with themselves. It has not been thought desirable, on reconsideration of this language to require that every little company that happens to sell a hundred dollars' worth of supplies to some public utility should be controlled or regulated by the Commission.

Mr. LONG. But, if the Senator will pardon me, I should like to refer him to an opinion in the preparation of which I had the honor to have been one of the participants about 16 years ago, in which it is shown that the artificial water-gas industry of this country and the natural-gas industry were incidents to the business of the Oil Trust, although the oil interests contended that the gas companies were subsidiary and only incidental.

Mr. BARKLEY. This provision does not deal with incidental connections. Under the present language of the bill if an ice company or a lumber company or an iron company happens to sell a public utility a hundred dollars' worth or $50 worth of goods produced by it, if it is engaged in the business of selling and happens to sell even a small amount to one of these companies, it might be regulated. It is not the desire to do that. What we are trying to do is to make it possible to regulate those whose principal business is the sale of these facilities.

Mr. LONG. The Senator from Washington [Mr. BONE] and I would like to know the particular line where the amendment is offered.

Mr. BARKLEY. The amendment was offered and discussed on Friday and appears in the RECORD. It comes in on page 58, lines 1 and 2, and proposes to strike out the words "engaged in a business of performing" and to insert in lieu thereof "the principal business of which is the performance of", so as to read:

> It shall be unlawful for any person the principal business of which is the performance of service, sales, or construction contracts for public utility or holding companies—

And so forth, to do these things except under rules and regulations fixed by the Commission.

Mr. LONG. That is exactly what I do not want the bill to do. We are getting to the post with the bill very much weakened. If this provision is weakened, then there is nothing left to hold the bill together.

Mr. BARKLEY. Does the Senator think we ought to assume jurisdiction or attempt to assume jurisdiction over some little local company in the town where I live, or in the town where he lives, which happens to sell some products to a public-utility company? It may be wholly an intrastate transaction in the first place. It is of such insignificance that the Federal Government probably would not desire and the public would not be benefited by having the Federal Government take jurisdiction of it or fix rules and regulations with reference to the sale of such things. What we are seeking to do is to reach the dummies which have been set up by the holding companies in connection with the purchase of supplies and the making of contracts.

Mr. LONG. There are many reasons for which the Commission can exempt these little companies, anyway. If the Senator will turn to page 8, which I discussed a little while ago, he will find that under the various exemptions there made almost any of these companies can be exempted where there is much or any reason to exempt them.

Mr. BARKLEY. The Commission will be dealing with the holding companies and the utility companies and their affiliates.

Mr. LONG. It is very difficult to say what companies are not exempted by the terms of the bill. We come now to the definition about which the Senator is talking, and which prescribes that it must be the principal business in which the company is engaged.

Mr. BARKLEY. Of course, the Senator is now referring to a part of the bill which defines the terms later carried in the bill.

Mr. LONG. If we restrict it to that, what is to be the answer of the people furnishing natural gas? What is to be the answer of the natural- and artificial-gas companies? There is no such thing as an independent gas-distributing system in the United States. I know what I am talking about when I make that statement. There is not a single independent artificial- or natural-gas-distributing business in the whole length and breadth of the United States today, unless it is in some little town so near the gas field that it never gets out anywhere to amount to anything. There may be one or two isolated cases in Texas or Louisiana, but I do not know of any. If we are going to regulate anybody at all, do not let the gas companies get out from under the bill.

Mr. BARKLEY. The little concerns I have in mind are not even included in the definition. It does not make any difference to me, except it seems to me it is probably going too far for the Federal Government to undertake to regulate the sale to a public utility of small quantities of goods by local corporations in small towns.

Mr. LONG. The Senator is more familiar with the bill than I am. Will this allow a big oil company that sells gas and sells oil for gas to exclude itself from being regulated?

Mr. BARKLEY. Not at all, because that is its principal business.

Mr. LONG. No; it is not.

Mr. BARKLEY. It is a part of its principal business.

Mr. LONG. No. I think it is one of their businesses. Their principal business, as they claim, is the production and refining and marketing of oil, and they also claim that the matter of selling their refuse oil and allowing gas to come from the wells is a mere incident. It is a very big thing, but they contend that it is such an incident that no one has been able to regulate it.

Mr. BARKLEY. Would this satisfy the Senator? Strike out the language I have proposed to strike out and have it read:

> It shall be unlawful for any person a substantial part of whose business is the performing of service,

And so forth.

Mr. LONG. I think that is all right.

Mr. BARKLEY. I modify my amendment in that respect. On page 58, lines 1 and 2, I move to strike out the words "engaged in the business of performing" and insert in lieu thereof "a substantial part of whose business is the performance of."

Mr. LONG. That is all right.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 58, lines 1 and 2, to strike out the words "engaged in the business of performing", and insert in lieu thereof the words "a substantial part of whose business is the performance of", so as to make the sentence read:

> It shall be unlawful for any person a substantial part of whose business is the performance of service, sales, or construction contracts for public utility or holding companies—

And so forth.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky.

The amendment was agreed to.

Mr. BARKLEY. I offer the same amendment on page 66, lines 23 and 24.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 66, lines 23 and 24, to strike out the words "engaged in the business of performing" and to insert in lieu thereof the words "a substantial part of whose business is the performance of", so as to read:

Every person a substantial part of whose business is the performance of service, sales, or construction contracts for public utility or holding companies—

And so forth.

The amendment was agreed to.

Mr. BARKLEY. I offer the same amendment on page 69, line 22.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 69, line 22, to strike out the words "engaged in the business of performing" and to insert in lieu thereof the words "a substantial part of whose business is the performance of", so as to read:

It shall be the duty of every mutual service company, and of every affiliate of a mutual service company, and of every person a substantial part of whose business is the performance of service, sales, or construction contracts for public utility or holding companies—

And so forth.

The amendment was agreed to.

Mr. BONE. Mr. President, I have just reentered the Chamber, and I understand that a moment ago an amendment was adopted which restricts the appointment of a receiver in insolvency proceedings, or rather prevents the naming of the Commission as trustee or receiver. I regret that has been done. I feel that some of my brethren may live to regret it.

The Associated Gas & Electric Co., one of the largest outfits in the country, is now facing insolvency proceedings. This movement may result in the naming of one of the men connected with that organization as trustee or receiver. If there be any untoward results arising from such a receivership, this body will surely have to answer for it to the people of the country. The thing will smell to high heaven if they pursue the method so frequently pursued in cases of that kind. We might as well be advised now. If the Associated Gas & Electric Co. should get into trouble and there should be a scandal, I want Senators to remember what I say now on the floor of the Senate today, because I am going to remind them of it. This might easily project itself into a situation that would be a national scandal. We should allow the Government through its own agency to handle the matter if it reaches the stage of receivership.

We had a Federal judge before us not long ago under impeachment proceedings, and we have seen how tainted and corrupt some of these receivership matters may be. When a judge appoints a trustee or a receiver, he frequently names one of his own friends, and then he has a friend practicing law before him. There is not a lawyer in this body who has not seen that thing occur time after time. We almost impeached a Federal judge for doing that identical thing. He should have been impeached. I voted for his impeachment. I think a court ought to be in a class with Caesar's wife—above reproach, above suspicion—and some of our courts have not been above reproach or above suspicion. If there is any scandal connected with this Associated Gas affair, Members of the United States Senate who voted to remove vital receivership control from the hands of the Commission are going to have to bear their share of the moral obloquy resulting from that proceeding, if the poor security holders are rooked, and we might have done something to prevent it, and did not.

Mr. LONG. Mr. President, I did not understand we struck out the appointment of the Commission as trustee or receiver. I understand we merely changed the word "shall" to "may."

Mr. BONE. I want the people of the country to know, after years and years of maladministration of the affairs of these companies, that we come here now with a bill to try to correct some of the abuses, and step by step by this process of attrition, we are tearing the heart out of the bill.

Mr. LONG. Let us quit tearing.

Mr. BLACK. Mr. President, I desire to ask the Senator from Washington a question. Is that the amendment which changed the word "shall" to "may"?

Mr. BONE. Yes.

Mr. BLACK. Does not the Senator, from experience and observation of his own, know that if it is left to the court to appoint receivers, the court will never appoint Government agencies where those agencies are already drawing their salaries from the Government? The natural result and the inevitable result would be that in all instances the receiver in the future, as in the past, will be someone whom the court wants to appoint. Is not that correct?

Mr. BONE. That is the record which has been disclosed by one of our Senate committees. The receivership racket all over the country has become a stench. It is a reproach to our system of administering the law. If Associated Gas cracks up and a bad smell emanates from the receivership, they must not walk away from their responsibility, but they must step up and shoulder it like men. We have tried to secure a form of receivership in these cases that would remove the evils and weaknesses of the present system, and apparently we have failed through this amendment.

Mr. BORAH. Mr. President, I do not know that I understood the Senator as to which particular amendment he was discussing. To what amendment did the Senator refer?

Mr. BONE. I understood the amendment had been adopted which struck out of the bill the requirement that the Commission itself should act as receiver. I think that is wrong.

Mr. BORAH. I did not understand that the Senate struck out the provision that the Commission might be appointed, but my understanding was that it was made discretionary. Is that correct?

Mr. BONE. That is correct.

Mr. WHEELER. Let me say to the Senator that in line with what the Senator from Washington [Mr. SCHWELLENBACH] called attention to, and what I called the attention of two or three Senators to a moment ago, I propose to add a proviso saying that in any such proceeding the court shall not appoint any person other than the Commission as trustee or receiver without notifying the Commission, and giving it an opportunity to be heard before making any such appointment.

That is in accordance with the suggestion of the Senator from Washington [Mr. SCHWELLENBACH] and two or three other Senators. I think it is very helpful to the bill, and will prevent the court from just stepping in and appointing somebody off-hand, without giving any consideration at all to the matter. The Commission will have a right to be heard on the matter.

Is there an amendment pending at the present time?

The PRESIDING OFFICER. There is no amendment pending at the present time.

Mr. BORAH. Mr. President, do I understand that the Senator has offered that amendment, or that he will offer it?

Mr. WHEELER. I am going to offer it in a few moments.

Mr. JOHNSON. Mr. President, I desire to call up an amendment of mine, as well as an amendment of the Senator from Indiana [Mr. MINTON] which was presented last Friday evening.

The amendment in which I am interested has been presented to those who are the sponsors of the bill, and they have rewritten it as a part of the amendment of the Senator from Indiana.

I do not wish to delay this bill, nor do I wish to do anything which may militate against its ultimate passage; and I am willing to accept what has been accorded me in the hope that it will do the job I am seeking to have done. If it does

not do so, ultimately in the other House we shall endeavor to correct anything that may need correcting.

The Senator from Indiana [Mr. MINTON] presented his amendment, which is embraced in the first part of the amendment I send to the desk, and the amendment which I presented is embraced in the second part of the proposed amendment, which now, in his name, if he will permit me, and in mine, I offer.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to amend paragraph 1 of subsection (b) of section 11 by adding at the end of line 10, page 44 of the reported print, after the semicolon, the following:

The Commission may permit as reasonably incidental or economically necessary or appropriate to the operations of said system the retention of an interest in any business (other than the business of a public-utility company as such) in which such registered holding company or such subsidiary company thereof is engaged or has an interest if the Commission finds (1) that such business is affected with a public interest and its rates or charges are regulated by law, and that the retention of such interest in such business is not detrimental to the proper functioning of a single geographically and economically integrated public-utility system, or (2) that such business is solely that of owning and operating farm lands for agricultural or horticultural purposes and is carrying on experimental or developmental work in agriculture or horticulture, in connection with any State or any political subdivision, or educational institution of such State, for the improvement of agriculture or horticulture in such State.

Mr. JOHNSON. Mr. President, I may say in reference to this amendment—particularly the second part thereof, with which I am intimately concerned—that I am seeking to preserve the relationship which now exists between the University of California and a very large acreage in California upon which, by cooperation, the experiments in horticulture and agriculture are conducted.

I should have preferred infinitely a flat exemption; but this is the best that can be done under the circumstances, and is acceptable, as I understand, to the sponsors of the bill. I take it, therefore, in the hope that it may do exactly what I am seeking to do. The Senator from Indiana [Mr. MINTON], if desired, will descant upon the portion of the amendment which relates to the matter in which he is interested.

The situation presented to me is that in my State a very large tract of agricultural land is owned by a holding company, and upon that tract of land the holding company and the university conduct experiments of the widest and highest value to agriculture and horticulture in the State of California, and indeed in the Nation. The appeal was made to me in behalf of this amendment by the University of California and by those personally interested in that great institution, and the amendment which was presented by me this morning is the amendment which was prepared by that institution. So because it does not interfere with the purposes of the bill, because this sort of thing naturally never was designed to be reached or touched by any measure of this sort, I ask that the amendment be accepted by the author of the bill, and that it may become a part of the measure.

Mr. MINTON. Mr. President, the first part of the amendment referred to by the Senator from California is the part which deals with the situation which I brought to the attention of the Senate by an amendment on last Friday.

I will say to the Senate that the amendment now offered by the Senator from California incorporates in it the idea which I had in mind in my amendment, and fully meets that situation, and, if acceptable to the Senate, is agreeable to me. I am glad to go along with the amendment offered by the Senator from California.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from California [Mr. JOHNSON] and the Senator from Indiana [Mr. MINTON].

The amendment was agreed to.

The PRESIDING OFFICER. Does the Senator from Indiana now withdraw the amendment offered by him on last Friday?

Mr. MINTON. Yes; I withdraw the amendment.

Mr. BARKLEY. Mr. President, on Friday I offered three amendments to subsection (b), on page 19, in lines 13 and 16, and at the end of line 19. They went over at the suggestion of the Senator from Idaho [Mr. BORAH]. I have redrawn the amendments and have consulted with him about the matter, and they are now satisfactory.

I therefore withdraw the amendments offered by me on Friday and offer in lieu thereof those which I send to the desk.

The PRESIDING OFFFICER. The former amendments are withdrawn. The amendments now offered by the Senator from Kentucky will be stated.

The CHIEF CLERK. It is proposed to amend subsection (b) of section 3 by inserting in line 13, page 19, after the word "affiliates" and before the word "under", the words "or public-utility companies."

The amendment was agreed to.

The CHIEF CLERK. It is also proposed, in line 16, page 19, after the word "affiliates" and before the word "within", to insert the words "or public-utility companies."

The amendment was agreed to.

The CHIEF CLERK. It is also proposed, at the end of line 19, page 19, before the period, to insert the words—

and not contrary to the purposes of this title: *Provided, however,* That the Commission shall not exempt under this subsection any class of persons as public-utility companies unless the persons included in such class are only incidentally public-utility companies, and are primarily engaged in one or more businesses other than that of a public-utility company.

The amendment was agreed to.

Mr. WHEELER. Mr. President, I send to the desk an amendment of which I spoke a moment ago, and which I have just worked out. It is to add certain language after the word "appointed", on page 50, line 2.

The PRESIDING OFFICER. The Senator from Montana offers an amendment which will be stated.

The CHIEF CLERK. On page 50, line 2, after the word "appointed" and before the period, it is proposed to insert:

And in any such proceeding the court shall not approve any person other than the Commission as trustee or receiver without notifying the Commission and giving it an opportunity to be heard before making any such appointment.

Mr. MCKELLAR. Mr. President, is that the amendment which the Senator has worked out?

Mr. WHEELER. That is the amendment I have worked out, as suggested.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana.

The amendment was agreed to.

Mr. ADAMS. Mr. President, I desire to call the attention of the Senator from Montana to an inquiry which has arisen in the minds of some of us from the West in reference to subsection (b) on page 113. I wonder if it is open to the interpretation which has occurred to us.

The bill there provides that—

It shall be unlawful for any person, State, or municipality to construct, operate, or maintain any dam, water conduit, reservoir * * *, or other works * * * upon any part of the public lands or reservations of the United States * * *.

The inquiry is whether or not, intending to prohibit the construction of such works for the generation of electric power only, the authors of the bill have not broadened it so that it would take away from those in the Western States powers which they now have to go upon the public lands and construct reservoirs or ditches or other irrigation works.

Mr. JOHNSON. To what page is the Senator referring?

Mr. ADAMS. Page 113 of the original bill, and I think it is 116 of the amended bill. It is subsection (b) of section 23.

Mr. WHEELER. Mr. President, as a matter of fact, I do not think it broadens the power. I perhaps do not quite understand what the Senator's question is, but at the present time upon a navigable stream——

Mr. ADAMS. I am not speaking of navigable streams. I concede as to them. But it goes beyond that. It says upon any public land. The inquiry I am making is whether this would not affect a ranchman or farmer who wanted to construct a ditch and go across public lands, in a case where he

has the right to go to the Power Commission and get a permit to put a small ditch across the public land. We endeavored to protect such rights in the grazing act.

Mr. WHEELER. There was no intention to affect that situation.

Mr. ADAMS. I am sure of that.

Mr. WHEELER. If the Senator has any language he can suggest, I shall be glad to consider it. The bill merely gives the Power Commission the same right the Congress has over these waters. It does not extend it.

Mr. ADAMS. Subsection (b) is a new provision.

Mr. WHEELER. Yes.

Mr. ADAMS. Section 23 (a) is the original section, in which there has been some amendment. Subsection (b) is an entirely new provision in the power act.

Mr. BARKLEY. Mr. President, to what extent is there a present requirement that permission must be obtained from the Power Commission in order to erect dams on public lands, whether on navigable streams or otherwise?

Mr. ADAMS. There is no requirement at the present time that one shall have permission to go on the public lands to erect dams or ditches for irrigation purposes. As I read this provision, it would compel application to the Power Commission for such works which do not relate to power.

Mr. BARKLEY. Does the Senator mean that at the present time anybody can go on a reservation of the United States or upon the public lands——

Mr. ADAMS. On unallocated public land, yes. That is a statute of the United States, and has been for many years.

Mr. TYDINGS. Mr. President, will the Senator from Colorado yield?

Mr. ADAMS. I yield.

Mr. TYDINGS. If we insert language after the word "unlawful" so as to read, "It shall be unlawful to manufacture, transport, or market power for any person, State, or municipality", would that cover the idea?

Mr. ADAMS. It would if it were limited to power purposes.

Mr. TYDINGS. I think what the Senator from Colorado says is accurate, that the bill as now drawn would bar the erection of any dams. What the Senator from Montana has in mind is only to regulate the use of power for utility purposes.

Mr. WHEELER. That is correct.

Mr. TYDINGS. So that if three or four words, "for the manufacture, transportation, and sale", were inserted, the difficulty would be met.

Mr. WHEELER. I think I can work out a satisfactory amendment.

Mr. ADAMS. I think the Senator from Wyoming has an amendment to suggest which perhaps might cover it.

Mr. O'MAHONEY. Mr. President, in addition to what the Senator from Colorado has said, I think there is another provision to which the Senator from Montana will desire to give his attention, beginning in line 21 on page 113. It will be observed that this language prohibits any person from utilizing the surplus water or water power from any Government dam.

The Reclamation Service operates power plants on numerous projects, and I am very fearful that this language is so broadly drawn that it might be interpreted to interfere with the operation of reclamation power projects.

Mr. WHEELER. I do not think it would.

Mr. O'MAHONEY. Will the Senator accept an amendment substantially as follows, to insert at the end of subsection (b) the following language?—

Provided, That nothing in this section shall be construed to apply to the United States or to any agency thereof.

Mr. WHEELER. That is perfectly all right. I would have no objection to that at all.

Mr. BONE. Mr. President, will the Senator from Wyoming yield?

Mr. O'MAHONEY. I yield.

Mr. BONE. I am wondering whether in most cases where irrigation projects are turning out power as a side issue to the irrigation projects such power is not now very generally or not almost entirely sold to private power companies?

Mr. O'MAHONEY. That is not my understanding. In some instances it is sold to municipalities and to local distributing agencies.

Mr. BONE. Would the Senator tell us in what instance that occurs? I think, perhaps, in southern Idaho there may be, at Twin Falls, some such use of the power, but I think there are very few instances where irrigation projects are permitting the use of power as a byproduct in homes. The power generally is sold to private power companies and redistributed by them.

Mr. O'MAHONEY. In some cases that is true.

Mr. WHEELER. Will the Senator read the suggested amendment again?

Mr. O'MAHONEY. I propose to add at the end of subsection (b) the following words:

Provided, That nothing in this section shall be construed to apply to the United States or to any agency thereof.

Mr. WHEELER. That is perfectly all right. My recollection is that there is a provision somewhere in the bill that the whole title shall not apply to the United States or to any agency thereof, but I cannot just put my finger on it.

Mr. O'MAHONEY. I understand the old Federal Power Act has been construed as not applying to the Reclamation Service, but I think since the language in the bill is so much broader than the present law that we ought to be perfectly sure we are not limiting the Reclamation Service. I offer the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed at the end of line 20, page 114, before the period, to insert a colon and the following:

Provided, That nothing in this section shall be construed to apply to the United States or to any agency thereof.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. O'MAHONEY. Mr. President, on page 113, line 17, after the word "municipality", I move to insert the words "for the purpose of developing electric power."

The purpose of the amendment is to make certain that this particular provision shall apply only to electric power, and shall not impose any restriction whatsoever upon irrigation.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. It is proposed, on page 113, line 17, after the word "municipality", to add the words "for the purpose of generating electric power."

Mr. WHEELER. Will not the Senator let that go over for a little while? I should like to take it up with the general counsel of the Power Commission. I think there will probably be no objection to it; but I should like to work it out with him, if the Senator will let it go over temporarily.

Mr. O'MAHONEY. Certainly.

The PRESIDING OFFICER. The amendment will be passed over temporarily.

Mr. O'MAHONEY. I should like to propound an inquiry to the Senator from Montana. In the same provision to which the Senator from Colorado alluded we find reference to States and municipalities. Is this something new in Federal power legislation? It seems to undertake to deprive the States, as well as the municipalities within a State, of the right to take advantage of the present law with respect to the establishment of power plants. Was it the intention of the committee to deprive the States of all power to establish power plants without receiving a license from this new Commission?

Mr. WHEELER. I think the State should be in exactly the same position the others are in. I mean I do not think a State or a municipality should be included. However, the matter was not considered; there was no objection to the provision in the committee, and nobody raised any question with reference to this particular subdivision.

Mr. O'MAHONEY. Because I know the Senator will desire to take this up also with the counsel for the Commission, I offer an amendment now, but will not press it for the moment.

Mr. WHEELER. Very well.

Mr. O'MAHONEY. I move that the words "State or municipality", in lines 16 and 17, on page 113, be stricken from the bill.

Mr. WHEELER. I have no objection to the amendment.

Mr. WHITE. Mr. President, I am not sure that I heard one of the Senator's amendments. I understand he is now proposing to strike out the words "State or municipality."

Mr. O'MAHONEY. Yes.

Mr. WHITE. Was an amendment offered previously?

Mr. O'MAHONEY. Yes.

Mr. WHITE. "That it shall be unlawful for any person for the purpose of generating electricty", and so forth?

Mr. O'MAHONEY. Yes.

Mr. WHITE. That was not acted upon?

Mr. WHEELER. No; I said I desired to take the matter up with the general counsel of the Power Commission.

Mr. WHITE. Would not that amendment, if adopted, make it lawful for any person to build a dam for the purpose of generating electricity, or for any other purpose, without reference to the Commission?

Mr. WHEELER. Not necessarily.

Mr. O'MAHONEY. No, it would not; because the language is a prohibition upon the use of such dams for any purpose. The mere limitation of this amendment to power plants certainly does not confer any new power.

Mr. WHEELER. I agree with the Senator's interpretation. If this enlarged the law, it would only enlarge it as to the production of electric energy, and would let the balance of the law stand as it is at present. However, I will take that up with the general counsel of the Commission.

The PRESIDING OFFICER. The Chair does not understand whether the Senator from Wyoming desires to have the last amendment he offered acted on at this time or not.

Mr. O'MAHONEY. If the Senator from Montana is willing to accept it——

Mr. WHEELER. I will take that up with the general counsel of the Power Commission.

Mr. O'MAHONEY. I ask that action on the amendment be deferred.

Mr. McCARRAN. Mr. President, I desire to address a question to the Senator from Montana bearing on the subject of subdivision (b) on page 113, which I have before me. That is the subdivision which has been under discussion for the past few minutes.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. NORRIS. I suggest that the Senators on the other side of the Chamber who are making this bill are speaking too loud. If they are not careful, we will hear what they are saying on this side of the Chamber.

Mr. McCARRAN. I beg the Senator's pardon. I have no desire to smother my voice.

I should like to draw the attention of the Senator from Montana and the Senators from the West, particularly including California, Arizona, and New Mexico, to subdivision (b) as regards the Boulder Dam and the use of the public domain for the construction of power lines under existing conditions prevalent and prevailing with reference to the Boulder Dam.

I should like to have an interpretation from the Senator from Montana as to whether or not, assuming this to be the condition which does prevail in my State, namely, we have created power districts for the purpose of bonding the particular districts in order to enable them to construct power lines across the public domain to given sections so as to utilize such allocation of power as we have coming from the Boulder Dam. The same might be true, perchance, with reference to Arizona and other States, which may be entitled to power from the Boulder Dam. My thought is that, perchance—and it seems to be entirely possible—that under the language as it appears in subdivision (b) on page 113, as it now is, we might be greatly handicapped in carrying out the policy we have in mind whereby certain districts are bonding themselves to utilize their allocation of power.

Mr. WHEELER. Let me say to the Senator that there is absolutely no intention in the bill to do that sort of thing. I have sent for the general counsel of the Federal Power Commission, who is familiar with this particular section, and just as soon as he comes here I will confer with him and be in a better position to discuss the question. This section was never discussed. There was no objection made to it in the committee, and no one paid any attention to it because of the fact that no objection was raised to it. I will take it up with the counsel of the Federal Power Commission just as soon as he comes here.

Mr. McCARRAN. I thank the Senator.

Mr. WHEELER. And I assure the Senator we can work this out so there will be no question about it at all.

Mr. BORAH. Mr. President, directing the attention of the Senator from Montana to page 44 of the original bill, where it says:

(1) After January 1, 1938, to require each registered holding company and each subsidiary company thereof to divest itself of any interest in or control over property or persons to the extent that the Commission finds necessary or appropriate to limit the operations of the holding-company system.

And then again in subsection (2), page 44:

(2) After January 1, 1938, to require each registered holding company, and each subsidiary company thereof, to be reorganized or dissolved whenever the Commission finds that the corporate structure or continued existence of such company unduly or unnecessarily complicates the structure of the holding-company system of which it is a part, or unfairly or inequitably distributes voting power among the holders of securities.

The first question I desire to ask is, in case this order is made by the Commission for this reorganization or divesting of power, would that order be appealable to the courts.

Mr. WHEELER. Yes. Every order which is made by the Commission is appealable to the courts.

Mr. BORAH. That is covered by what section?

Mr. WHEELER. Section 24 (a), line 16, page 83, which reads as follows:

SEC. 24. (a) Any person aggrieved by an order issued by the Commission in a proceeding under this title to which such person is a party may obtain a review of such order in the circuit court of appeals of the United States within any circuit wherein such person resides or has his principal place of business, or in the Court of Appeals of the District of Columbia, by filing in such court, within 60 days after the entry of such order, a written petition praying that the order of the Commission be modified or set aside in whole or in part.

Mr. BORAH. In other words all these orders which would be made with reference to reorganization and so forth would be appealable to the courts?

Mr. WHEELER. Absolutely.

Mr. BORAH. The second question which I desire to ask the Senator is this. Is the Senator satisfied that the authority given in the pending bill is sufficiently defined, that is to say where it says:

That the Commission finds necessary or appropriate to limit the operations of the holding-company system of which such company is a part to a single geographically and economically integrated public-utility system.

And in the second subdivision:

Whenever the Commission finds that the corporate structure or continued existence of such company unduly or unnecessarily complicates the structure of the holding company system.

Is that a sufficient rule or guide in the matter of the delegation of power?

Mr. WHEELER. I think it is. The Senator from Indiana [Mr. MINTON] calls my attention to the radio law which uses the language "public interest, necessity or convenience." That has been construed to be a sufficient standard. Likewise the Supreme Court in numerous Interstate Commerce Commission cases has decided that public use is a sufficient definition. As a matter of fact the language used in the Interstate Commerce Commission

cases has been construed much more definitely, in my judgment, than the language in this bill.

Mr. BORAH. The Court, in the recent case decided, seems to announce a little different rule where a hearing is provided and an opportunity for taking evidence and so forth, and gave a wider latitude than in instances where there was simply a straight delegation of power.

Mr. WHEELER. Exactly.

Mr. BORAH. For that reason I ask if all these orders were subject to appeal to the Court, because I think that has a very decided bearing upon the delegation of power.

Mr. WHEELER. Exactly. Not only that, but in the Schechter case, as I recall, the orders which were made were not based upon evidence, but they simply laid down the rules and there was no appeal from them. In the pending bill we provide that an order shall be made, and they have the right of appeal from that order to the circuit court of appeals in each and every instance where an order is made,

Mr. WHITE. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. WHITE. The Senator from Idaho referred to subparagraph (2) on page 44, which relates to reorganization or dissolution of companies. As I understand, the Senator from Montana says that in every instance there is an appeal from such an order to a United States court. I think that is true. But if the Senator from Idaho will look on page 50 of the bill he will find this language:

In any such proceeding a reorganization plan—

I skip some words—

shall not become effective unless such plan shall have been approved by the Commission after opportunity for hearing prior to its submission to the court.

So, in the last analysis, while there is a form of appeal provided for and reserved, nevertheless the authority of the court to do as it wills with respect to a reorganization or a dissolution is limited by the provision to the effect that any plan of that character must be that approved in the first instance by the Commission. So, after all, it is not the court whose judgment speaks as to a proper reorganization; it is the Commission itself, from whose previous decision an appeal is taken. Therefore, I say that while there is in form an appeal, there is not an appeal in substance.

Mr. BORAH. But if the Commission should make an order approving or disapproving, that order itself would be appealable to the court, would it not?

Mr. WHITE. I do not quite understand the question.

Mr. BORAH. The bill provides:

In any such proceeding a reorganization plan for a registered holding company or any subsidiary company thereof shall not become effective unless such plan shall have been approved by the Commission after opportunity for hearing prior to its submission to the court.

If they should make an order or refuse to make an order for reorganization, either would be appealable to the court, would it not?

Mr. WHITE. Yes; but I understand—and my understanding may be very imperfect—that there can be no reorganization plan put into effect that does not have the sanction of the Commission, whatever may be the judgment of the court about the matter.

Mr. MINTON. Mr. President, will the Senator yield?

Mr. WHITE. I yield.

Mr. MINTON. Does that not just mean that there must be a concurrence of opinion between the Commission and the court?

Mr. WHITE. If that be so, it is not in the full and proper sense an appeal to the court. It is a dilution or a division of the court's authority.

Mr. STEIWER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. STEIWER. I think the Senator from Idaho has raised a very vital and serious question. In answer to the question which he propounded to the Senator from Montana, concerning the right of review, his attention is directed to section 24 (a) which is supposed to afford a right of review. It does indeed provide a limited right. I desire to call the attention of the Senator from Idaho to about the middle of that section 24 (a).

Mr. BORAH. On what page?

Mr. STEIWER. I have a draft of the bill which puts it on page 86.

Mr. BORAH. It is page 83 of my copy.

Mr. STEIWER. I wish to call the Senator's attention to certain important limitations which exist in that right of review. I read:

No objection to the order of the Commission shall be considered by the court unless such objection shall have been urged before the Commission or unless there were reasonable grounds for failure so to do.

That is probably not a severe limitation, but there follows this language:

The finding of the Commission as to facts, if supported by substantial evidence, shall be conclusive.

Mr. BORAH. That is, conclusive only as to the facts.

Mr. STEIWER. As to the facts, yes; but that becomes especially important, because if the Senator will go back to the language he is examining in section 11 (b) (2) he will find that the order for dissolution shall be made whenever the Commission finds certain things, and those things seem to be largely findings of fact. So the broad, general foundation for its order of dissolution is a finding of fact which is conclusive upon the Court; and the real review is very severely limited by all these sections taken in combination.

Mr. BORAH. Mr. President, I am interested in the matter to determine if the rule laid down in the bill for the exercise of this delegated power is sufficiently accurate and sufficiently definite. I think if it be true that the orders are appealable to the Court, then the rule provided for in the bill may be sufficient, but I think there would have to be appealable jurisdiction; that is to say, that the Court would have jurisdiction upon appeal to review these matters, and I doubt very much whether the rule laid down in the bill would be sufficient.

The Court in a case recently decided said that—

We have said that the substituted phrase has a broader meaning—

Speaking of unfair methods of competition—

that it does not admit of precise definition, its scope being left to judicial determination as controversies arise.

Then citing the cases.

What are "unfair methods of competition" are thus to be determined in particular instances, upon evidence, in the light of particular competitive conditions, and of what is found to be a specific and substantial public interest.

If there can be an appeal from these orders, if the Court can review them, I think the bill may be within the decision, but, if they are not appealable, I do not think it has been brought within the decision. I think if there is any doubt about the appealable feature, there ought to be a consideration of the matter. I am friendly to the general purpose of the bill, but I have doubts about some of its provisions.

Mr. TYDINGS. Mr. President——

The PRESIDING OFFICER (Mr. POPE in the chair). Does the Senator from Idaho yield to the Senator from Maryland?

Mr. BORAH. I yield.

Mr. TYDINGS. I should like to ask the opinion of the Senator in a case I will state. Suppose the Federal Power Commission, in effect, was given the power to dissolve or cause to be reorganized or was given any other power in reference to these companies, and there was a right of appeal to the courts, but the only qualification put on the authority of the Federal Power Commission to issue such an order was that it was in the public interest; does the Senator from Idaho think that the mere right of review by the Court would make the provision constitutional, and that there would be a sufficient limitation on the delegation of power?

Mr. BORAH. It is difficult to say, but I do know that the court, in construing the phrase "unfair methods of competi-

tion", which seems to me to be about as latitudinous a phrase as can be thought of, seems to sustain that as a sufficient rule in case there was a hearing, evidence was had upon the matter, and some tribunal was given an opportunity, particularly the courts, to determine upon the evidence whether or not unfair methods prevailed. I know of no reason why the same rule would not apply in the instance cited.

The importance of this matter turns upon the question whether complete review has been provided for, and evidence is to be taken and hearings had upon these matters. Otherwise I doubt if the provision would be sufficient.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment.

Mr. TYDINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lonergan	Radcliffe
Ashurst	Costigan	Long	Reynolds
Austin	Couzens	McAdoo	Schall
Bachman	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Gore	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	Nye	Wheeler
Chavez	Johnson	O'Mahoney	White
Clark	Keyes	Overton	
Connally	King	Pittman	
Coolidge	La Follette	Pope	

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present. The question is on the engrossment and third reading of the bill.

Mr. DIETERICH. Mr. President, I understand that an agreement has been reached as to a time to vote. I should like to inquire as to that.

Mr. BARKLEY. Mr. President, efforts have been made to arrive at an agreement upon a time when a vote may be had on all pending amendments and on the bill. The Senator from Illinois, I will say, desires to have his amendments, one of which is probably the most important amendment to the bill, go over for a vote until tomorrow. In view of that, I am going to propose a request for unanimous consent. I ask unanimous consent that tomorrow at not later than 1 o'clock there shall be a vote on the amendments offered by the Senator from Illinois [Mr. DIETERICH], and that at not later than 3 o'clock tomorrow there shall be a final vote on the final passage of the bill.

Mr. WHEELER. Mr. President, let me see if I understand the request.

The VICE PRESIDENT. The Chair wishes to make a statement. The Chair tries to enforce the rules of the Senate. There has just been a roll call in the Senate. The Chair presumes that roll call would justify an agreement under the rules for a final vote on the bill at a certain hour, and if that is agreeable to Members of the Senate present, the Chair will put the request without ordering another roll call.

Mr. McNARY. Mr. President, I entertain a very positive view and a very different view. When a time is sought to be fixed for a vote by the Senate it is the contemplation of the rule that the proposal shall first be announced to the Senate and that a roll call shall follow.

The VICE PRESIDENT. The Chair thinks that is a very good rule, but the Chair wants to understand whether there should be a roll call. The Chair will repeat the request of the Senator from Kentucky, as he understands it. The request is that at not later than 1 o'clock tomorrow the Senate shall vote on the amendments offered by the Senator from Illinois [Mr. DIETERICH] and that at not later than 3 o'clock tomorrow the Senate shall vote on all amendments pending and on the bill itself to its final passage.

Mr. BORAH. Mr. President——

Mr. McNARY. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, does the proposed agreement contemplate that the pending measure shall remain before the Senate, or may we take up other matters in the interim?

The VICE PRESIDENT. Under the proposed arrangement the bill could be temporarily laid aside.

Mr. BARKLEY. Mr. President, it is contemplated to lay aside temporarily the pending measure until tomorrow, and I shall endeavor to obtain an agreement to consider the joint resolution to extend the act relating to the Railway Coordinator for 1 year, as recommended by the President. A measure to that effect is now on the calendar.

Mr. BORAH. Is it the purpose of the Senator to take up the N. R. A. extension resolution?

Mr. BARKLEY. No; not unless the committee should bring in a report. The committee is now in session.

Mr. SMITH. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SMITH. Does the unanimous-consent request indicate that no other amendments save the ones which have been offered by the Senator from Illinois shall be considered?

The VICE PRESIDENT. It does not. The Chair stated the request very clearly, that not later than 1 o'clock tomorrow the amendments offered by the Senator from Illinois [Mr. DIETERICH] shall be voted on by the Senate, and not later than 3 o'clock the Senate shall vote on the bill. All amendments Senators may desire to offer in the meantime will be in order and may be offered.

Mr. McNARY. Mr. President, I am impressed with the suggestion that there should be deferment until tomorrow, because there are many Senators now absent. I am not going to oppose the proposal, but I suggest that the vote on the amendments of the Senator from Illinois be not later than 2 o'clock and the final vote be not later than 4 o'clock.

Mr. BARKLEY. I am agreeable to the suggestion, although I do not know that there will be enough amendments to consume the time of the Senate until 4 o'clock.

Mr. McNARY. The proposal is to vote on the bill not later than 4 o'clock.

The VICE PRESIDENT. When the Chair puts the request, if there is no Senator present who objects, the Chair should order a roll call. Is there objection to the request of the Senator from Kentucky?

Mr. SMITH. Mr. President, it seems to me, in view of the absence, whether necessary or otherwise, of many Senators who are vitally interested in this matter, we would not lose very much time if we should defer a unanimous-consent agreement until tomorrow. At that time there would be Senators present who have a vital interest in the measure. This is a matter of great importance. I consider this bill of as much importance as the N. R. A. measure. I think this bill is an encroachment on State rights and on the privileges of the individual, as far-reaching as ever the N. R. A. was. Therefore, I object.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. DIETERICH. Mr. President, let me say to the Senator from South Carolina that the important amendment pending to the bill is to section 11. It was at my request that the proposal was made that the matter go over until tomorrow. I did not want to have the amendment voted on this afternoon. That was my purpose in submitting the request, and I hope the Senator will withdraw his objection.

Mr. SMITH. As a deliberative body, I hope nobody is jockeying for advantage here. The bill will stand on its merits, I hope, or fall on its demerits.

Mr. DIETERICH. It will not stand on its merits unless there is a full attendance of Senators.

Mr. SMITH. The point I am making is that we should defer final action on the matter and not take advantage of anyone. Let us proceed tomorrow with notice to all. We can get in communication with those who are absent. Let there be a full expression on the part of this body as to the amendments of the Senator from Illinois.

Mr. WHEELER. Mr. President, notice has been given to everybody that we intended to come to a vote today. Every Senator had notice of that intention. We put the bill over from Friday until today because it was said certain Senators necessarily were to be absent on Saturday. I have tried to accommodate those Senators. I did this at the request of the Republican leader. I have made every concession possible. I am not going to consent that the bill shall be put over until tomorrow unless we have a definite understanding as to the time we shall vote on the proposed amendments to section 11 and on the final passage of the bill. There will be no agreement of any kind or character unless it is upon that basis.

Mr. SMITH. I would observe to the Senator from Montana that neither what he thinks nor what I think is going to govern this body. What the majority thinks will govern.

Mr. WHEELER. Very well; let us see what the majority thinks.

Mr. SMITH. I desire to say to my friend from Illinois that if his amendment will be jeopardized by my objecting, inasmuch as I am heartily in sympathy with his amendment——

Mr. DIETERICH. It would be jeopardized. I may say to the Senator that I am asking for the unanimous-consent agreement.

Mr. SMITH. If by any means the bill can be modified—and I may say I am not going to vote for it no matter how it is modified—then in deference to the good fight my friend from Illinois is making I shall withdraw my objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Kentucky [Mr. BARKLEY] that at not later than 2 o'clock tomorrow the Senate shall vote on the amendments offered by the Senator from Illinois [Mr. DIETERICH], and at not later than 4 o'clock the Senate shall vote on the bill? The Chair hears none. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lonergan	Radcliffe
Ashurst	Costigan	Long	Reynolds
Austin	Couzens	McAdoo	Schall
Bachman	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Gore	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	Nye	Wheeler
Chavez	Johnson	O'Mahoney	White
Clark	Keyes	Overton	
Connally	King	Pittman	
Coolidge	La Follette	Pope	

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present. The Senator from Kentucky [Mr. BARKLEY] asks unanimous consent that not later than 2 o'clock tomorrow the amendments offered by the Senator from Illinois [Mr. DIETERICH] shall be voted on and that not later than 4 o'clock the bill shall be voted on. Is there objection?

Mr. CLARK. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CLARK. The agreement does not preclude the offering of any amendment whatever, or a motion to recommit the bill?

The VICE PRESIDENT. Not at all. Any amendments may be offered in the meantime. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and the agreement is entered into. The Chair recognizes the Senator from Wyoming [Mr. O'MAHONEY].

Mr. O'MAHONEY. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 113, line 17, after the word "municipality", it is proposed to insert the words "for the purpose of developing electric power."

The amendment was agreed to.

EXTENSION OF EMERGENCY RAILROAD TRANSPORTATION ACT, 1933

Mr. BARKLEY. Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of Senate Joint Resolution 112.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution (S. J. Res. 112) extending the effective period of the Emergency Railroad Transportation Act, 1933, which had been reported from the Committee on Interstate Commerce with amendments.

Mr. BARKLEY. Mr. President, while the Senator from Montana is getting his papers in order I will state that this joint resolution extends for 12 months the office of Railroad Coordinator. The law under which the Railroad Coordinator was appointed, and under which he has been operating, expires on the 16th of June, which is next Sunday. This measure has not passed the House, and it is important that it pass the Senate at once in order that the House may consider it, and that it may be enacted prior to the date of expiration of the present act.

The VICE PRESIDENT. The amendments reported by the committee will be stated.

The first amendment of the Committee on Interstate Commerce was, in section 1, page 1, line 5, after "1936", to strike out "and may be extended by a proclamation of the President for an additional year or any part thereof", so as to make the section read:

That title I of the Emergency Railroad Transportation Act, 1933, shall continue in full force and effect until June 17, 1936, but orders of the Coordinator or of the Commission made thereunder shall continue in effect until vacated by the Commission or set aside by other lawful authority, but notwithstanding the provisions of section 10, no such order shall operate to relieve any carrier from the effect of any State law or of any order of a State commission enacted or made after this title ceases to have effect.

The amendment was agreed to.

The next amendment was in section 2, page 2, line 8, after the word "Commission", to strike out "and to pay into said fund within 20 days after June 16, 1936, a proportional amount covering any period of extension of this title by proclamation of the President under section 17,", so as to make the section read:

That it shall be the duty of each carrier to pay into the fund provided for by section 14 of the Emergency Railroad Transportation Act, 1933, within 20 days after June 16, 1935, $2 for every mile of road operated by it on December 31, 1934, as reported to the Commission, and it shall be the duty of the Secretary of the Treasury to collect such assessments.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HASTINGS. Mr. President, do I understand that the Chair announced that the joint resolution had passed?

The VICE PRESIDENT. The Chair so announced. Does the Senator desire to move to reconsider? If so, of course, that motion is in order.

Mr. HASTINGS. I move that the votes whereby the joint resolution was passed be reconsidered.

The VICE PRESIDENT. The question is on the motion of the Senator from Delaware.

The motion to reconsider was agreed to.

The VICE PRESIDENT. The Senate has reconsidered the passage of the joint resolution. The Senator from Delaware is recognized on the joint resolution.

Mr. HASTINGS. Mr. President, when this joint resolution was reached on the calendar, the Senator from Oregon [Mr. MCNARY], at my request, objected to its consideration on one occasion, and the Senator from Iowa [Mr. DICKINSON] objected on another occasion. I merely wish to say, with respect to the joint resolution, that it seems to me the inter-

ested parties ought to have placed before the Senate and in the RECORD their contentions with respect to it.

I have no intention of objecting to the passage of the joint resolution, but the railroad executives have requested of the Interstate Commerce Committee an opportunity to be heard. As I understand, the chairman of the committee declined to hear them, but said that he should be glad to have them present their objections in the form of a letter.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. HASTINGS. I yield.

Mr. WHEELER. My recollection of the matter is that the representatives of the executives came to me after the committee had reported the joint resolution. I am quite sure it was after it had been reported by the committee, the joint resolution extending the time. They then asked me if I would not have the joint resolution recommitted so that they could have a hearing. I said to them that we had held long hearings upon the same subject a year ago, that all the facts and figures were before the committee, that I did not think a rehearing would do any good, and that if they would write me a letter stating their objections I should place it in the RECORD.

Mr. HASTINGS. I am glad to have the Senator correct me if I misstated the facts. I was only relying upon a copy of the letter which was sent to me by the representatives of the railroad executives.

Mr. President, I merely wish to have the letter read into the RECORD, because it states the railroads' contentions with respect to one of the particular reasons why they have not been able to effect the economies that it was hoped would be effected under this plan when the original bill was passed; the statement in the letter being to the effect that the bill compelled them to employ as many men as they did under conditions a year or two previously, and with that requirement in the bill it was practically impossible for them to make the economies they thought best.

If I may ask the indulgence of the Senate for a few moments, I have sent to my office for the letter, and when it shall be received, I desire to ask that it be read into the RECORD.

Mr. WHEELER. I have the letter, and I intend to put it in the RECORD.

Mr. HASTINGS. Mr. President, I ask that the clerk be requested to read the letter. That is the only comment I have to make with respect to the joint resolution.

The PRESIDING OFFICER (Mr. HAYDEN in the chair). Without objection, the letter will be read.

The Chief Clerk read as follows:

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D. C., May 17, 1935.

HON. BURTON K. WHEELER,
Chairman Committee on Interstate Commerce,
United States Senate, Washington, D. C.

MY DEAR SENATOR WHEELER: On May 1, 1935, you introduced into the Senate, Senate Joint Resolution 112, extending the effective period of the Emergency Railroad Transportation Act, 1933. The files of the Association of American Railroads show that on May 3, through the usual channels, a letter was addressed to you requesting a hearing on this resolution, so that the railroads of the country might express their views upon this resolution. On May 7 the resolution was reported to the Senate, with certain amendments, and, as I understand it, it is now upon the calendar of the Senate for consideration.

When I requested you to grant to the Association of American Railroads a hearing before the committee on this resolution, in order that the railroad point of view might be expressed, you very graciously declined to recommend such a course, but stated that I would have the privilege of stating the views of the American railroads in the form of a letter addressed to you. I am writing this communication, therefore, with your permission and in order that you, the members of the committee, and the Members of the Senate may be advised that the railroads members of the Association of American Railroads are opposed to the enactment of Senate Joint Resolution 112 and their reasons therefor. I may say that this association represents 99.3 percent of the mileage of the class I railroads of the United States and a slightly smaller percentage of the mileage of all the railroads in this country.

The Emergency Railroad Transportation Act, 1933, became a law on June 16, 1933. We are concerned here only with title I, that being the portion of the law which creates the Federal Coordinator of Transportation and defines his powers and duties. The law was suggested by the President of the United States to meet an emergency thought to exist at the time. Title I was limited to 1 year, with power in the President by proclamation to extend its provisions for an additional year. In due course the act was by Executive proclamation so extended, so that unless it is reenacted or some action is taken to continue its operation, it will cease to be effective on June 16, 1935.

The primary purpose of the statute was to prevent and relieve obstructions and burdens to interstate commerce resulting from an economic emergency which was described in the law as acute, and in order to safeguard and maintain an adequate national system of transportation. The purposes of the law are stated in section 4, to encourage and promote or require action on the part of the carriers which will avoid unnecessary duplication of services and facilities and permit joint use of terminals and trackage incident thereto, to control allowances, accessorial services, and the charges therefor, and other practices affecting service or operation to the end that undue impairment of net earnings may be prevented, wastes and preventable expense avoided, and in order that there may be an adequate immediate study of means of improving conditions surrounding transportation in all its forms.

Coordinating committees were provided for, consisting of railroad officers, there being one such committee in each of the three usual grand divisions into which the country had customarily been divided for rate-making purposes.

There are two important considerations which caused the sponsors of the bill to deem it necessary to create the office of Federal Coordinator and give him certain powers. In the first place, it was thought that certain joint actions which might be taken by the railroads looking toward economies might be in violation of the antitrust statutes. In the second place, it was feared that certain coordinating projects thought to be desirable in the public interest might be prevented by the action of one or two railroads who would not be willing to go along with the views of the majority of the railroads involved. In order that desirable economies might be effected, the Coordinator was given authority to approve any project adopted by a majority of the coordinating committees, even though it should be contrary to State or Federal antitrust laws, and even though certain railroads less than a majority might object. The Coordinator was also given authority to bring to the attention of the coordinating committees any project in the nature of a desirable reform and to make an order thereon, even though it might not be approved by a majority of the railroads involved.

Most of the railroads were willing to be subjected to this type of regulation at a time of profound business depression, when there was the utmost need for the practice of economy and for the prevention of waste in every conceivable way.

During the consideration of the bill by the Congress, over the protest of the railroads and of the gentleman who afterward became Federal Coordinator of Transportation there was inserted in the act section 7, consisting of five paragraphs. By paragraph (b) it was provided that the number of employees in the service of a railroad might not be reduced by reason of any action taken pursuant to the authority of the title below the number as shown by the pay rolls of employees in service during the month of May 1933, after deducting the number who have been removed from the pay rolls after the effective date of the act by reason of death, normal retirements, or resignation, but not more in any one year than 5 percent of said number in service during May 1933. It was further provided in this paragraph that no employee in the service of a railroad should be deprived of employment such as he had during the month of May 1933, or be in a worse position with respect to his compensation for such employment by reason of any action taken pursuant to the authority conferred by this title. There are other objectionable features in section 7, but we call attention particularly to these restrictive provisions of paragraph (b).

It was understood at the time these amendments were offered and adopted, first by the Senate and afterward by the House of Representatives, that the effect of these labor clauses would be to render futile any effort of the railroads or of the Coordinator to accomplish substantial economies in the way of coordinated action. However, Congress saw proper to adopt these provisions over the protest of the railroads and against the better judgment of many who were advocating the bill.

The result has been precisely as was predicted. The Federal Coordinator has stated many times in public addresses that the effect of including the labor clauses was to prevent in very large degree the economies and waste prevention measures which it was the primary purpose of the act to accomplish.

If any substantial economies are undertaken through joint or coordinated action they can be accomplished only by reducing the number of employees. This is so obvious as not to justify greater elaboration.

Prior to and early in the operation of the act the railroads, recognizing the need for coordinated action in the interest of economy, undertook careful studies of the possibilities of coordination in the hope and belief that they might unofficially accomplish a great deal along the line of the declared purposes of the act. It was believed that the labor clauses in the act would not apply unless these coordinating projects were ordered by the Coordinator or one of the coordinating committees created by the law. When this contemplated action was brought to the attention of the Coordinator that officer, believing that the spirit if not the letter of the law prohibited such action, addressed a communication, bearing date of August 7, 1933, to the several coordinating committees placing by formal reference under the scope of

the act all projects dealing with the unification and coordination of facilities and services, so that the labor provisions would apply. I am not criticizing the action of the Coordinator in so doing. I am merely calling attention to the fact that not only did the act prevent official action, but as interpreted and applied by the Coordinator it prevented unofficial action looking toward economy, provided such economy could not be accomplished otherwise than by joint action.

It will be seen, therefore, that not only has the Emergency Railroad Transportation Act failed of its purpose to bring about economies through the operation of its machinery, but as construed and applied it has resulted in preventing normal, ordinary arrangements among railroads whereby desired economies might be accomplished.

It must not be supposed that the railroads have not from time to time prior to the enactment of the Emergency Railroad Transportation Act made progress in the matter of joint use of facilities through agreed coordinated action. Studies which had been in progress for many years disclosed the fact that there were 24,399 miles of railroad jointly operated, that there was then joint-use facilities by class I railroads of 263 engine terminals, 1,366 less-than-carload freight houses, 1,902 passenger stations, 618 yards, 472 large bridges, and that there were 1,013 points where freight cars were interchanged at which inspection was performed by men jointly employed.

As the depression increased in intensity and the traffic of the railroads diminished there was naturally an increasing urge toward the coordination of terminals, the discontinuance of trains, and the use of facilities jointly. The movement toward the accomplishment of these desirable economies was stopped by the enactment of the Emergency Railroad Transportation Act and the action of the Coordinator in applying it. It cannot be said, therefore, that the act was simply harmless—it was positively harmful in preventing economies which the railroads had hoped to bring about. Joint use of facilities has been a progressive activity and has been increasing continuously for many years until it was arrested by the provisions of the act.

The Coordinator has said that the labor clauses of the act converted him from a doer of deeds to a prober of possibilities. More than 600 projects have been studied by the coordinating committees, and, in many instances, with the cooperation of the Coordinator's staff, with a possible suggested savings of more than $18,000,000 per annum. None of these projects could be adopted by reason of the unfortunate provision to which we have referred.

It must not be thought from these observations that the railroads are desirous of increasing unemployment by dismissing their faithful employees. It has never been the policy of railroad management, except as a result of dire necessity, to deprive their faithful employees of the means of livelihood. It cannot be asserted that railroad management has ruthlessly or cruelly exercised its rights to reduce forces. Men have been laid off only when absolutely necessary and have been returned to employment in the order of their seniority as fast as conditions would permit. It is, however, manifestly unfair to prohibit the railroads from resorting to ordinary methods for retrenchment and economy in the face of declining traffic and falling revenues. They should be given the same privilege that is accorded to other industry to balance their budgets, even though the process is brought about by reducing employment.

The Federal Coordinator, prohibited by the labor clauses from cooperating in measures of economy, has devoted himself most assiduously to the study of problems in the field of transportation, in which studies he has been aided by the railroads and by those who operate other forms of transportation, as well as by the general public. He has incorporated these studies in numerous reports and recommendations, many of which have been valuable. He has made recommendations to Congress with respect to legislation, and the railroads are heartily in accord with the Coordinator's suggestions dealing with the regulation of all forms of competitive transport. It is submitted, however, that these studies, if now not complete, can and will be carried on by the Association of American Railroads in cooperation with the Interstate Commerce Commission.

In the report of the committee, which accompanies the resolution extending the term of the Coordinator, it is pointed out that the financial condition of the railroads has not improved in the 2 years during which the Emergency Railroad Transportation Act has been in force and that the railroads have been heavy borrowers from the Reconstruction Finance Corporation. This is true, but there is nothing in the act under which the Coordinator can improve this situation. He has been able to accomplish nothing in the way of improving the financial condition of the railroads, and for this result he is in no way censurable. It is said in the report that the Coordinator has made valuable recommendations with respect to merchandise traffic, passenger traffic, and car pooling. These recommendations have been considered by the railroads, and if they embody valuable suggestions the continuance of the office of Coordinator is not necessary for their adoption.

Upon principle we submit that no officer of the Government should be given the power now vested in the Coordinator unless at the same time he is clothed with responsibility for results. Congress, in the Interstate Commerce Act and other statutes regulating the railroads, has laid down in more or less definite fashion the rules whereby the railroad industry is to be regulated. The Emergency Railroad Transportation Act, however, confers upon a single individual very broad powers in the field of management, thereby invading the domain of managerial discretion without any limitations or standards by which his conduct is to be measured. He is the sole judge of what shall be done to effect economies or prevent waste. This, we submit, is more power than should be given to a single individual, particularly since the statute furnishes no chart or compass whereby his conduct is to be measured or controlled. It is true that the present Coordinator has used his power very sparingly, indeed, and has in fact made but a single order, and that one which affected but a limited number of railroads. But the grant of arbitrary and unlimited power is not rendered less objectionable because it is lodged in the hands of a man who uses it sparingly. We must lose sight of the individual and look at the principle involved, a principle which is contrary to the spirit of our law and inconsistent with the control of these properties by their owners. The regulation of railroads is very complete; they are controlled as to all of their activities which may affect the public interest. In the matter of duties purely managerial, the fact of private ownership should be recognized, and these functions should not be committed to a governmental officer, however careful and well informed.

Your attention is called to the matters here presented in the hope that title I of the Emergency Railroad Transportation Act will be permitted to expire on June 16 next. It has proved to be a burdensome feature of our regulatory system. Without in any way reflecting upon the present Federal Coordinator, nothing of substantial value in the way of coordination has been accomplished, and we see no promise or prospect of future usefulness in continuing the act for another year.

In closing, your attention is directed to the fact that since the enactment of this legislation the railroads formed the Association of American Railroads, with authority vested in its board of directors to effect all the economies contemplated in the Emergency Transportation Act.

Assuring you of my appreciation for permission to address you this letter, I beg to remain

Most respectfully yours,

(Signed) J. J. PELLEY,
President Association of American Railroads.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

The joint resolution was passed.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 209. An act for the relief of Carmine Sforza;

S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; and

S. 2536. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

THE CALENDAR

Mr. BARKLEY. I ask unanimous consent that the Senate proceed to the consideration of unobjected bills on the calendar. In that connection I will say that if consent is given I shall make the point of no quorum, so that Senators may be notified.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Lonergan	Radcliffe
Ashurst	Costigan	Long	Reynolds
Austin	Couzens	McAdoo	Schall
Bachman	Dieterich	McCarran	Schwellenbach
Bankhead	Donahey	McGill	Sheppard
Barkley	Duffy	McKellar	Shipstead
Black	Fletcher	McNary	Smith
Bone	Frazier	Maloney	Steiwer
Borah	Gerry	Metcalf	Thomas, Okla.
Brown	Gibson	Minton	Thomas, Utah
Bulkley	Gore	Moore	Townsend
Bulow	Guffey	Murphy	Trammell
Burke	Hale	Murray	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Van Nuys
Caraway	Hatch	Norris	Wagner
Carey	Hayden	Nye	Wheeler
Chavez	Johnson	O'Mahoney	White
Clark	Keyes	Overton	
Connally	King	Pittman	
Coolidge	La Follette	Pope	

The PRESIDING OFFICER. Eighty-one Senators have answered to their names. A quorum is present.

Mr. BARKLEY. I ask unanimous consent that the clerk begin to call the bills on the calendar at the place where we left off at the last call of the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUILDINGS FOR UNITED STATES REPRESENTATIVE IN PHILIPPINE ISLANDS

Mr. VANDENBERG. Mr. President, what is the calendar number of the bill which is first to be stated.

The PRESIDING OFFICER. It is Calendar No. 779.

Mr. VANDENBERG. Before the order is entered, may I say to the Senator from Kentucky [Mr. BARKLEY] that I have no objection to his suggestion, except that I think Calendar No. 626, which is the bill authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands ought to be considered. I have prevented the passage of that bill heretofore by objection. Since then I have conferred with General Cox, Chief of the Bureau of Insular Affairs, and I am prepared, provided a simple amendment is adopted, to permit the bill to pass.

Will the Senator permit that bill to be first considered?

Mr. McKELLAR. I think that ought to be done.

Mr. BARKLEY. I shall not object to that being done. There are two or three bills which we shall have to go back to later, which we have previously passed over; but I think it only fair that we should begin at the point on the calendar where we left off, in order that later bills may have a chance to be considered.

Mr. VANDENBERG. Then, Mr. President, may we begin with Calendar No. 626?

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none.

The Senate proceeded to consider the bill (S. 2278) authorizing the construction of buildings for the United States High Commissioner to the Government of the Commonwealth of the Philippine Islands, which had been reported from the Committee on Territories and Insular Affairs with an amendment, on page 1, line 5, after "United States", to strike out "High Commissioner to" and insert "representative in", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated not to exceed $1,000,000 for the necessary housing for office and residence purposes for the establishment of the United States representative in the Philippine Islands, including the acquisition of land, the purchase, construction, and reconstruction of buildings, and the procurement of furniture, furnishings, and equipment.

Mr. TYDINGS. Mr. President, will the Senator from Michigan explain exactly what that amendment does?

Mr. VANDENBERG. It is not my amendment.

Mr. TYDINGS. I understood the Senator to offer an amendment.

Mr. VANDENBERG. I have not as yet offered my amendment.

The PRESIDING OFFICER. The pending amendment is a committee amendment. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. VANDENBERG. Mr. President, the reason why I objected to the appropriation of a million dollars for the creation of facilities and accommodations for the new High Commissioner to the Philippine commonwealth was that the proposed appropriation included a substantial sum for the purchase of land. It was rather revolting to my sense of fair play that at the very moment when we were presenting the Philippine people with literally an enormous gift in terms of dollars and cents, we should immediately be required to repurchase land upon which to construct our own buildings for the use of our representative.

I asked the War Department for specific information on the subject. I think it will be interesting for the RECORD to show on the one hand that the expenditures made by the United States Government from May 1, 1898, to June 30, 1934, totaled $835,000,000 in connection with the establishment of this new Commonwealth. Then—and this is the particular thing—we own military and other reservations in the Philippine Islands totaling over 350,000 acres in area, and having a total valuation in excess of $18,000,000. We retain title to all this land until the end of the Commonwealth period. At the end of the period we have a right to retain a few of these reservations, but our total land-value gift to the Commonwealth will be well in the neighborhood of $18,000,000. That is the contemplation which moved me to feel that there ought to be no requirement upon us to turn around and make a new investment in land in the Philippine Islands for the purpose of providing a site for our new representative.

General Cox now tells me that the authorities have resurveyed their situation and think they can amply meet their necessities without the purchase of land, and that the million dollars provided in the bill, therefore, may be reduced to $750,000.

I therefore move, on page 1, line 4, to substitute $750,000 for $1,000,000; and if that amendment is agreed to, I shall have no further objection to the passage of the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 1, line 4, it is proposed to strike out "$1,000,000" and to insert in lieu thereof "$750,000."

Mr. TYDINGS. Mr. President, all that the Senator from Michigan has said is true. Since 1898 over $800,000,000 has been expended in the Philippine Islands. However, it would be unfair to let that naked statement go into the RECORD without a brief word of explanation. Of course, the major part of that expenditure was in connection with the insurrection and military operations in the islands. If that qualifying word were not added to the remarks of the Senator from Michigan, I am afraid people might assume that we had spent that money on roads, or schools, or education, or health.

I know the Senator from Michigan concurs with me when I say that the overwhelming majority of this money was expended in connection with military campaigns. In addition to that, about $50,000,000 was expended in fortifying Corregidor, and other millions of dollars were expended for military purposes. It has cost about $16,000,000 a year to keep the Army and Navy posts in the Philippine Islands; so it can be readily seen that the moneys used for military purposes constitute most of the expenditure of the money in the Philippine Islands.

It is also true that if we had not made this expenditure in the Philippine Islands some of it would have been expended anyway, because probably some of the troops would have been maintained in any event and located in the States.

As the author of the bill I accept the amendment. I think it is a very proper amendment. The land will be dredged out of Manila Bay. I merely did not want the impression to prevail that we had expended this large sum of money in the Philippine Islands for other than war purposes since 1898.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Michigan.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the construction of buildings for the United States representative in the Philippine Islands."

Mr. VANDENBERG. Mr. President, I ask to have printed in the RECORD at this point the War Department inventory of land owned by the United States in the Philippine Islands.

There being no objection, the inventory was ordered printed in the RECORD, as follows:

List of United States military reservations in the Philippine Islands

Name and location	Acreage	Value	
		Land	Improvements
Augur Barracks and Asturias, municipality of Jolo	388.57	$80,822.12	$52,000.00
Bataan, municipality of Moron	7,432.84	50,000.00	
Camp Bumpus, municipality of Tacloban	106.55	100,000.00	
Calumpan Point, Cavite Province	5,357.04	103,000.00	
Cauayan (flying field), municipality of Cauayan	1,017.93	4,119.70	
Chromite Reservation, near municipality of Masinloc	3,271.05	(1)	
Cuartel Meisic, Manila	7.15	275,860.00	149,500.00
Camp Downes, municipality of Ormoc	91.58	25,000.00	5,000.00
Camp Eldridge, municipality of Los Banos	599.53	83,827.00	25,000.00
Camp Gregg, municipality of Bayambang	179.05	50,000.00	
Camp John Hay, municipality of Baguio	1,673.41	300,000.00	610,795.00
Camp Keithley, municipality of Dansalan	17,012.82	200,000.00	62,000.00
Ludlow Barracks, municipality of Parang	6,011.85	125,000.00	(1)
Fort William McKinley, Rizal Province	5,802.08	1,649,361.00	1,328,069.29
Malabang, municipality of Malabang	2,684.77	25,000.00	
Mariveles, Bataan Province	90,967.42	420,000.00	
Military Plaza, Manila	7.93	249,600.00	122,559.00
Fort Mills, Cavite Province	1,915.63	210,000.00	4,232,271.22
Momungan, municipality of Momungan	14.18	1,000.00	2,000.00
Nichols Field (included in Fort William McKinley), Rizal Province	2,189.89		
Nozaleda, Manila	5.23	167,424.00	108,100.00
Old Medical Supply Depot, Manila	3.64	87,208.92	1,800.00
Camp Overton, municipality of Iligan	3,230.32	25,000.00	18,000.00
Pettit Barracks, Zamboanga	243.08	300,000.00	212,405.00
Port area, Manila	57.81	264,620.70	158,362.89
Post of Manila, Manila	15.59	638,100.00	1,119,555.20
Post of Tagabiran, municipality of Catabig	40.55	(1)	(1)
Regan Barracks, near municipality of Daraga	63.97	2,800.00	
Fort San Pedro, municipality of Cebu	4.42	250,000.00	200.00
Fort San Pedro, municipality of Iloilo	35.45	1,250,000.00	12,000.00
Fort Santiago, Manila	14.95	747,500.00	92,675.00
Sternberg General Hospital, Manila	7.11	313,104.00	332,261.66
Fort Stotsenburg, Pampanga Province	156,204.06	750,000.00	1,099,173.43
Camp Wallace, municipality of San Fernando	386.34	5,000.00	15,000.00
Warwick Barracks, municipality of Cebu	3.12	100,000.00	5,000.00
Fort Wint, municipality of Subic	99.94	2,000.00	207,118.43
Zambales, municipality of Subic	8,994.81	12,000.00	
Zamboanga Flying Field, municipality of Zamboanga	162.29	(2)	
Total	316,304.60	8,872,347.44	9,968,847.12

[1] Unknown. [2] Not appraised.

BILLS PASSED OVER

The bill (S. 1179) for the relief of James H. Smith was announced as next in order.

Mr. McKELLAR. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. TOWNSEND subsequently said: Mr. President, I ask unanimous consent to recur to Calendar 779, being the bill (S. 1179) for the relief of James H. Smith. The bill was introduced by the Senator from Massachusetts [Mr. WALSH].

Mr. McKELLAR. Mr. President, I objected to the bill when it was reached on the calendar. I have no objection to returning to it at this time. The Senator from Delaware has explained it to me and shown that it is an important matter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware?

There being no objection, the Senate proceeded to consider the bill (S. 1179) for the relief of James H. Smith, which had been reported from the Committee on Claims with amendments on page 1, lines 3, 4, and 5, to strike out the words "that James H. Smith, formerly employed as laboratorian in roentgenology by the United States Veterans' Bureau, be, and he is hereby, compensated the amount of $20,000", and to insert in lieu thereof, "that the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James H. Smith, formerly employed as laboratorian in roentgenology by the United States Veterans' Bureau, the sum of $5,000, in full settlement of all claims against the Government"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James H. Smith, formerly employed as laboratorian in roentgenology by the United States Veterans' Bureau, the sum of $5,000, in full settlement of all claims against the Government for injuries received by him as a result of X-ray burns sustained by him in August 1922 and March 1923 while employed at the United States Veterans' Hospital at Dwight, Ill., and at the United States Veterans' Bureau regional office at Lexington, Ky.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1735) for the relief of the estate of W. W. McPeters was announced as next in order.

Mr. McKELLAR. Mr. President, the Department does not seem to recommend the bill. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

W. S. O'BRIEN

The Senate proceeded to consider the bill (S. 1865) to confer jurisdiction upon the Court of Claims to hear, determine, and render judment upon the claim of W. S. O'Brien against the United States, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. S. O'Brien the sum of $1,250, in full settlement of all claims against the Government for damages alleged to have been sustained by him in connection with the widening of Cash Alley, a public thoroughfare in the city of Colon, Panama, by the sanitary department of the Isthmian Canal Commission during the years 1905 and 1906: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of W. S. O'Brien."

DEFINITION OF ELECTION PROCEDURE UNDER ACT OF JUNE 18, 1934

The bill (H. R. 7781) to define the election procedure under the act of June 18, 1934, and for other purposes, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in any election heretofore or hereafter held under the act of June 18, 1934 (48 Stat. 984), on the question of excluding a reservation from the application of the said act or on the question of adopting a constitution and bylaws or amendments thereto or on the question of ratifying a charter, the vote of a majority of those actually voting shall be necessary and sufficient to effectuate such exclusion, adoption, or ratification, as the case may be: *Provided, however*, That in each instance the total vote cast shall not be less than 30 percent of those entitled to vote.

SEC. 2. The time for holding elections on the question of excluding a reservation from the application of said act of June 18, 1934, is hereby extended to June 18, 1936.

SEC. 3. If the period of trust or of restriction on any Indian land has not, before the passage of this act, been extended to a date

subsequent to December 31, 1936, and if the reservation containing such lands has voted or shall vote to exclude itself from the application of the act of June 18, 1934, the periods of trust or the restrictions on alienation of such lands are hereby extended to December 31, 1936.

SEC. 4. All laws, general and special, and all treaty provisions affecting any Indian reservation which has voted or may vote to exclude itself from the application of the act of June 18, 1934 (48 Stat. 984), shall be deemed to have been continuously effective as to such reservation, notwithstanding the passage of said act of June 18, 1934. Nothing in the act of June 18, 1934, shall be construed to abrogate or impair any rights guaranteed under any existing treaty with any Indian tribe, where such tribe voted not to exclude itself from the application of said act.

The PRESIDING OFFICER. Without objection, Calendar No. 589, being the bill (S. 2655) to define the election procedure under the act of June 18, 1934, and for other purposes, being an identical bill, will be indefinitely postponed.

CARRIAGE OF GOODS BY SEA

The bill (S. 1152) relating to the carriage of goods by sea was announced as next in order.

Mr. McKELLAR. Mr. President, that seems to be an important bill with quite a large number of amendments.

Mr. WHITE. Mr. President, I may say to the Senator that a few days ago, upon favorable report from the Foreign Relations Committee, the Senate ratified a treaty dealing with the same subject matter. To a very large extent the bill is designed simply to implement the provisions of that treaty. If the Senator will remember the discussion, the Senator from Utah [Mr. THOMAS], having the treaty in charge, indicated at the time it was under discussion the great desirability for the passage of this proposed legislation which affects the terms of the treaty, so as to remove some doubt as to full application of the terms of the treaty.

Mr. McKELLAR. I am not familiar with the bill. Does the Department recommend it?

Mr. WHITE. The Department of State is very much in favor of it. I think every agency of the Government which has had any connection with or relationship to the proposed legislation is thoroughly in favor of it.

Mr. McKELLAR. It seems to be as the Senator has stated, but I have not had a chance to examine it; so I ask the Senator to let it go over for the time being.

Mr. THOMAS of Utah. Mr. President, I hope the Senator from Tennessee will not insist that the bill go over.

Mr. McKELLAR. It seems to be a very important bill. I know nothing about it. I should like to have an opportunity to examine it.

Mr. THOMAS of Utah. The bill, of course, is an important bill. As the Senator from Maine [Mr. WHITE] has explained, it incorporates into our law a treaty which we have already ratified. The bill supplements and makes operative that treaty. The treaty has been before the Senate for years. It took us some time to consider the treaty and have it ratified. We are holding back not only our own country, but other countries as well.

Mr. McKELLAR. Holding them back for what? I should like to know something about it. I have not examined the bill. Will the Senator explain it?

Mr. THOMAS of Utah. The bill merely puts into force in our own country an agreement which has been reached in many other countries and is provided for by the treaty. It is simply to bring about uniform usage of bills of lading in the transshipment of goods and makes the usage uniform. That is about all there is to it.

Mr. McKELLAR. I think the Senator had better let it go over. I shall look into it.

The PRESIDING OFFICER. On objection, the bill will be passed over.

FRANK P. ROSS

Mr. BONE. Mr. President, I ask unanimous consent to recur to Calendar 756, being the bill (S. 1186) for the relief of Frank P. Ross.

The PRESIDING OFFICER. Is there objection?

There being no objection the Senate proceeded to consider the bill (S. 1186) for the relief of Frank P. Ross, which had been reported from the Committee on Public Lands and Surveys, with an amendment.

Mr. BONE. Mr. President, it will be recalled that when this bill and the next bill on the calendar were presented to the Senate, it was discovered they were not uniform and in conformity with the practice of the Senate in such matters.

Mr. McKELLAR. They were contrary to the form adopted in the case of any bill of the kind that has ever been passed.

Mr. BONE. I have prepared an amendment which will conform with the wishes of the Senator from Utah [Mr. KING] and the Senator from Tennessee.

Mr. McKELLAR. I have examined it and I think it is all right.

Mr. BONE. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of Frank P. Ross, of Tacoma, Wash., against the United States, for damages arising out of the patenting to another person of lands in Pacific County, Wash., which had been selected or entered by said Frank P. Ross under the homestead laws, and for damages arising out of the subsequent cutting of timber from such lands.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim and appeals from and payment of any judgment thereon shall be in the same manner as in the case of claims over which said court has jurisdiction under section 145 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EARL A. ROSS

Mr. BONE. I now ask the Senate to consider Senate bill 1490.

There being no objection, the Senate proceeded to consider the bill (S. 1490) for the relief of Earl A. Ross, which had been reported from the Committee on Public Lands and Surveys with an amendment.

Mr. BONE. Mr. President, I offer an amendment to this bill in conformity with the suggestion of the Senator from Tennessee [Mr. McKELLAR], similar to the amendment which I offered to the bill just passed.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and insert in lieu thereof the following:

That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of Earl A. Ross, of Chicago, Ill., for damages arising out of the patenting to another person of lands in Pacific County, Wash., which had been selected or entered by said Earl A. Ross under the homestead laws, and for damages arising out of the subsequent cutting of timber from such lands.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the date of enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings for the determination of such claim, and appeals from any payment of any judgment thereon, shall be in the same manner as in the case of claims over which said court has jurisdiction under section 145 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRESCOTT NATIONAL FOREST

The Senate proceeded to consider the bill (S. 2649) to provide for a recreation area within the Prescott National Forest, Ariz., which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 7, after the word "segregation", to insert the words "so long as such locations are legally maintained", so as to make the bill read:

Be it enacted; etc., That the Secretary of Agriculture is hereby authorized in his discretion to designate and segregate for recreational development any lands, not to exceed 4,000 acres, within the Prescott National Forest, Ariz., which in his opinion are available for such purpose, and he is hereby authorized to enter into

such form of cooperative agreement with, or issue such permits to, the city of Phoenix, Ariz., for occupancy of said area for recreation purposes as in his opinion will permit the fullest use of the lands for such purposes without interfering with the object for which the national forest was established. Lands so designated and segregated under the provisions of this act shall not be subject to the mining laws of the United States: *Provided, however,* That such designation and segregation shall not affect valid existing mineral locations of record on the date of such segregation so long as such locations are legally maintained.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOINT RESOLUTION AND BILL PASSED OVER

The joint resolution (S. J. Res. 133) for designation of a street to be known as "Missouri Avenue" was announced as next in order.

Mr. BULKLEY. Let the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 916) to carry into effect the decision of the Court of Claims in favor of claimants in French spoliation was announced as next in order.

Mr. AUSTIN. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

MEMORIAL TO MAJ. GEN. GEORGE W. GOETHALS

The Senate proceeded to consider the bill (S. 2743) to authorize the erection of a suitable memorial to Maj. Gen. George W. Goethals within the Canal Zone, which had been reported from the Committee on Military Affairs with amendments on page 2, line 7, to strike out the words "by the" and insert the words "out of a general fund of the", and in lines 9 and 10 to strike out the words "from the revenues derived from the operation of the Panama Canal", so as to make the bill read:

Be it enacted, etc., That the President of the United States is authorized, through such person or persons as he may designate, to select an appropriate site within the Canal Zone and to cause to be erected thereon a suitable memorial of heroic size to Maj. Gen. George W. Goethals in commemoration of his signally distinguished services in connection with the construction and operation of the Panama Canal.

SEC. 2. The design and location of such memorial and the plan for the development of the site shall be submitted to the Commission on Fine Arts for advisory assistance.

SEC. 3. There is hereby appropriated a sum not to exceed $75,000 for every object connected with the purposes of this act, including site development and any essential approach work, said sum to be paid out of the general fund of the Treasury of the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. SHEPPARD. I ask permission to place in the RECORD, in connection with the passage of Senate bill 2743, for a memorial to Major General Goethals, an explanation of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

STATEMENT IN EXPLANATION OF S. 2743 FOR A MEMORIAL TO MAJ. GEN. GEORGE W. GOETHALS

The construction of the Panama Canal continues to stand out as one of our greatest American engineering achievements. Begun in the administration of President Theodore Roosevelt, it was pressed during the administrations of Presidents Taft and Wilson, and the completed waterway was officially opened to the commerce of the United States and the world by the formal declaration of the last-named Executive. With the exception of interruptions caused by occasional slides, which have required dredging, the Canal has been in constant operation for more than 20 years. During that period thousands of passenger and cargo vessels have passed through it, saving time and distance, and bringing mankind into closer relations. Besides promoting Pan American friendship, the Canal has proved of untold value for national defense. Our fleet last year transited the Canal, eastward with 110 vessels in 48 hours, and westward, with 90 vessels, in 40 hours. Compare this record with that of the battleship Oregon, which required 76 days to round the Horn and come to the reenforcement of the American fleet then engaged in operations which finally resulted in the destruction of the Spanish squadron off Santiago de Cuba.

Proud as we are of the Canal and the successful way in which its engineering problems were solved by American genius, it is fitting that we should pay tribute in some form to the men who were responsible for the actual construction. France has erected at Colon a statue to De Lesseps, whose efforts to pierce the Isthmus resulted in failure; but it was proper that his country should provide recognition of the efforts which this engineer made, futile though they were.

Recognizing the important part played by sanitation in connection with the construction, Congress, by a joint resolution approved March 24, 1928, changed the name of Ancon Hospital to Gorgas Hospital, and by the act of May 7, 1928, provided for an annual appropriation of $50,000 for 5 years, for the support, in conjunction with the Republic of Panama, of the Gorgas Memorial Institute at Panama. Both of the acts constituted our official appreciation of the splendid accomplishments of Maj. Gen. William C. Gorgas in stamping out and controlling the carriers of diseases which had taken toll of the Canal workers under De Lesseps and of our own at the beginning of American construction. Within the zone the names of men who did yeoman service in connection with different features of the work have been given to those features. But for the man who had the principal part in directing the entire operation, nothing has been done in the way of commemoration. The Military Committee, after full consideration of the desirability of providing such commemoration, unanimously concluded that this object could and ought to be attained by a memorial within the Canal Zone in honor of Maj. Gen. George W. Goethals, to whose skill, organizing ability, and indefatigable effort the country owes the Canal.

I need not recite the difficulties which General Goethals encountered in the performance of his great task. It was my privilege as a Member of the Senate to consider Canal affairs during the last years of its construction and commencement of operation. Sitting in this body today are eight Members who are as familiar, if not more so, with the magnitude of the problems which General Goethals was called upon to solve. The Canal was begun under a commission, with John F. Wallace, a great engineer, in charge of the engineering work. Mr. Wallace resigned after 1 year. He was succeeded by another great engineer, Mr. John F. Stevens; he resigned after 2 years. Both of these men did excellent preparatory work; General Goethals has paid tribute to it. But it remained for Goethals to take over the project in 1907, to reorganize the several departments, to recruit the labor, to provide for the social and living requirements of the workers, to expand the lock and give greater width to the Culebra Cut so that the Canal might be able to provide transit for our largest naval and commercial ships, as it is now doing. Exactly upon the date fixed by him, in 1914, after 7 years from the time he took charge, the Canal was open to traffic, and by direction of President Wilson and in recognition of his accomplishment, he was made the first Governor of the Panama Canal. And let me further point out that the construction of the Canal at a cost of $385,000,000 was done without the slightest suggestion of graft. It was an honest, an economical, as well as an engineering achievement.

I have told you of President Wilson's tribute to General Goethals.

President Theodore Roosevelt, in his autobiography, wrote the following:

"Colonel Goethals proved to be the man of all others to do the job. It would be impossible to overstate what he has done. It is the greatest task of any kind that any man in the world has accomplished during the years that Colonel Goethals has been at work. It is the greatest task of its own kind that has ever been performed in the world at all. Colonel Goethals has succeeded in instilling into the men under him a spirit which elsewhere has been found only in a few victorious armies."

This was written by President Taft, while serving as Chief Justice of the United States:

"The strain through which Colonel Goethals has passed only those know who were associated with him in the work. The diplomacy, the straightforward conduct, the persistence, the patience, the wonderful executive ability, the great engineering skill, will some day be described in detail and the achievement set forth as it ought to be; now it can only be described in general terms."

President Franklin D. Roosevelt has manifested personal interest in the proposal to erect "a suitable memorial—to commemorate the services rendered by General Goethals to the United States as the builder of the Panama Canal." So have Elihu Root, a former Member of this body, who was Secretary of State in the administration of Theodore Roosevelt; George W. Wickersham, who was Attorney General in the Cabinet of William Howard Taft; Members of Congress at the time the Canal was under construction, various other officials of those days, journalists who supported the construction of the Canal, leading officers of the Army and Navy, among whom are General Pershing and Rear Admiral Rodman, who were in contact with the work, members of the Panama Canal societies, made up of American subordinates of General Goethals, scattered throughout the country, and many other prominent citizens.

In view of the above facts, and further that General Goethals, whose name is not now perpetuated in the Canal Zone, was directly responsible for the removal of 95 percent of the dry and hydraulic excavation and the construction of 100 percent of the dams and locks, the committee has concluded that a modest appropriation of $75,000 for the erection of a memorial within the Canal Zone in his honor would be a fitting memorial to him and those who labored with him in the performance of the stupendous task entrusted to them.

LAND IN LOS ANGELES COUNTY, CALIF.

The bill (S. 2895) to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California", was announced as next in order.

The PRESIDING OFFICER. This bill is identical with House bill 6437, Calendar No. 861.

Mr. McKELLAR. Mr. President, will the Senator from California tell us about the bill?

Mr. SHEPPARD. Mr. President, I think I can explain the bill if the Senator desires. The War Department approves the bill. Its purpose is to authorize and direct the Secretary of War to convey to the county of Los Angeles, without cost, a parcel of 184.96 acres within the county, to be used for public park, playground, and reclamation purposes only. The bill provides that should the land not be used or cease to be used for such purposes it shall revert to the Government. This land was obtained by the Government from the county of Los Angeles at $1 an acre for a balloon school which has since been abandoned. It is not being used at this time for any purpose.

Mr. McKELLAR. I see the Department has no objection to the bill, and I assume that it should be passed.

Mr. SHEPPARD. There is a similar House bill on the calendar. I ask that the House bill be substituted for the Senate bill, and that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, the Senate will proceed to consider the House bill.

The Senate proceeded to consider the bill (H. R. 6437) to amend Private Act No. 5, Seventy-third Congress, entitled "An act to convey certain land in the county of Los Angeles, State of California", which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2895 is indefinitely postponed.

MONUMENT ON FORT DOUGLAS MILITARY RESERVATION, UTAH

The bill (S. 2611) to authorize the Utah Pioneer Trails and Landmarks Association to construct and maintain a monument on the Fort Douglas Military Reservation, Salt Lake City, Utah, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to issue a permit, under regulations to be prescribed by him, to the Utah Pioneer Trails and Landmarks Association to construct and maintain on the Fort Douglas Military Reservation, Utah, a suitable monument, including roadway and footpath thereto, to commemorate the site where Brigham Young, Mormon pioneer leader, on July 24, 1847, declared "This is the place", the location and plans to be approved by the Secretary of War, and all work to be done without expense to the United States and under such military supervision as is deemed advisable by him.

SETTLEMENT OF CLAIMS FOR INJURY OR DEATH IN FOREIGN COUNTRIES

The bill (S. 2891) to provide for the adjustment and settlement of personal injury and death cases arising in certain foreign countries was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when any act of omission of any officer, employee, or agent of the Government of the United States, including all officers, enlisted men, and employees of the Army, Navy, and Marine Corps, results in the personal injury or death of any person, not an American national, in any foreign country in which the United States exercises privileges of extraterritoriality, the Secretary of State may consider, adjust, and determine any claim, arising after the passage of this act, for the damage occasioned by such injury or death in an amount not in excess of $1,500, United States currency, in any one case, and such amount as may be found to be due to any claimant shall be certified to Congress as a legal claim for payment out of appropriations that may be made by Congress therefor, together with a brief statement of the character of each claim, the amount claimed, and the amount allowed: *Provided*, That this authorization shall not apply to cases of persons in the employ of the United States: *Provided further*, That no claim shall be considered under this act by the Secretary of State unless presented to him within 1 year from the date of the accrual of said claim: *And provided further*, That acceptance by any claimant of the amount determined under the provisions of this act shall be deemed to be in full settlement of such claim against the Government of the United States.

BILLS PASSED OVER

The bill (H. R. 6504) to amend an act entitled "An act for the grading and classification of clerks in the Foreign Service of the United States of America and providing compensation therefor" was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2818) for the relief of Blanche L. Gray was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. BARKLEY. Mr. President, the Senator from Nevada [Mr. PITTMAN], upon learning that the calendar was to be called, went to his office to get some papers in relation to the last two previous bills which were called. I ask for the rescinding of the order putting over House bill 6504 and Senate bill 2818. I do not wish to have reconsidered Senate bill 2891, which was passed.

The PRESIDING OFFICER. Without objection, House bill 6504 and Senate bill 2818 will be temporarily passed over.

DIPLOMATIC AND CONSULAR BUILDINGS, HELSINGFORS, FINLAND

The bill (H. R. 4448) to provide funds for acquisition of a site, erection of buildings, and the furnishing thereof, for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland, was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of that bill?

Mr. VANDENBERG. Mr. President, I am sure the Senator from Tennessee will not wish to object to the consideration of that bill when I explain the situation.

Mr. McKELLAR. I do not know what it is. I shall be glad to have an explanation of it.

Mr. VANDENBERG. In the first place, there is very great necessity from a physical standpoint for additional and adequate accommodations for the American legation and consulate at Helsingfors. More fundamentally, this is very frankly an acknowledgment of the fact that Finland is the only country in the world which is paying its debts to us, and this is a gesture by way of friendly appreciation for the fact that there still is some place on earth where international credit is honored.

Mr. McKELLAR. Mr. President, with that statement I shall certainly withdraw any objection.

I desire to take this occasion to say that I think Finland comes nearer honoring her engagements than any other nation in the world, with the possible exception of ours. I think we usually honor our engagements, but Finland has signally honored herself in living up to the letter of her contract. If this is an acknowledgement of that fact, I shall be very happy not only to withdraw any objection to the bill, but to express my very great appreciation of being permitted to vote for the bill.

Mr. VANDENBERG. I felt sure that would be the Senator's feeling.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purpose of further carrying into effect the provisions of the Foreign Service Buildings Act of 1926, as amended, there is authorized to be appropriated, in addition to the amount authorized by such act, an amount not to exceed $300,000 for the purpose of acquiring a site, erection of buildings, and the furnishings thereof, for the use of the diplomatic and consular establishments of the United States at Helsingfors, Finland. Sums appropriated pursuant to this act shall be available for the purpose and be subject to the conditions and limitations of the Foreign Service Buildings Act of 1926, as amended.

Mr. NORBECK. Mr. President, I desire to ask the Senator from Tennessee if he really meant that we do better than Finland does in the payment of our obligations. We pay in 69-cent dollars. Finland pays us in 100-cent dollars, measured in gold.

Mr. McKELLAR. I do not agree with the Senator about that. I have had some experience with currency all over

the world, and, so far as I know and believe, the best money in the world is American money.

Mr. NORBECK. At home.

Mr. McKELLAR. And everywhere else.

Mr. NORBECK. In view of the fact that Finland has been paying us in gold at a high valuation, does not the Senator think our Government now might recognize the fact, and put Finland on the same basis as we put our own creditors for the remaining payments?

Mr. McKELLAR. Finland has not asked for that.

Mr. NORBECK. No.

Mr. McKELLAR. All honor to her that she has not asked for it.

Mr. NORBECK. Yes.

Mr. McKELLAR. I think the Finns are a wonderful people. They keep their engagements. They ought to be a guide for all the rest of the world.

Mr. TYDINGS. Mr. President, I think what the Senator from South Dakota [Mr. NORBECK] says is very accurate. I think we ought to emulate Finland's example. I think the present condition rather reflects on ourselves. Here is this body paying a great tribute to Finland for paying 100 cents on the dollar, when it itself has permitted the payment of 69 cents on the dollar to its own people. It is all right to pass this bill, but it seems to me we are embarrassing ourselves by paying Finland this tribute.

Mr. NORBECK. We have passed the bill, so that is beyond us.

Mr. McKELLAR. I do not feel any embarrassment at all in the matter.

Mr. NORBECK. I think a bill should be introduced providing that hereafter Finland may pay in the same kind of currency in which Uncle Sam pays his own creditors.

Mr. McKELLAR. We will take up that matter when we come to it.

The PRESIDING OFFICER. The bill having been passed, the clerk will state the next bill on the calendar.

BILLS PASSED OVER

The bill (H. R. 4901) to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions was announced as next in order.

Mr. McKELLAR. I ask that that bill go over. I make that request on the authority of the Appropriations Committee. So many of these authorizations are coming in that it is almost impossible for our committee to keep up with them, much less pay them.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 6673) providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee on Aerial Legal Experts, and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the Commissions established by that committee was announced as next in order.

Mr. McKELLAR. I ask that that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 7909) to amend the act creating a United States Court for China and prescribing the title thereof was announced as next in order.

Mr. KING. I should like an explanation of that bill.

Mr. AUSTIN. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

INTERNATIONAL STATISTICAL INSTITUTE

The joint resolution (S. J. Res. 139) requesting the President to extend to the International Statistical Institute an invitation to hold its twenty-fourth session in the United States in 1939 was announced as next in order.

Mr. KING. Let that go over.

Mr. VANDENBERG. Mr. President, I call attention to the fact that this is one international convention which does not ask for an appropriation. It finances itself and merely desires official status.

Mr. McKELLAR. The Senator refers to Senate Joint Resolution 139?

Mr. VANDENBERG. I do.

Mr. McKELLAR. And it does not require an appropriation?

Mr. VANDENBERG. It does not.

Mr. McKELLAR. Then I am delighted to withdraw any objection I even might have made.

Mr. VANDENBERG. I thought the Senator would.

Mr. COPELAND. Mr. President, I hope this joint resolution may pass.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

The preamble was agreed to, as follows:

Whereas the American Statistical Association will celebrate its centenary in 1939; and

Whereas it desires to invite the International Statistical Institute, an international organization with similar objectives, to be its guest at that time; and

Whereas for 50 years the Institute has met on invitation from the Government of the country in which the meeting occurs: Therefore, be it

Resolved, etc., That the President be, and he is hereby, requested to extend to the International Statistical Institute an invitation to hold its twenty-fourth session in the United States in the year 1939.

JOINT RESOLUTION PASSED OVER

The joint resolution (H. J. Res. 182) to provide for membership of the United States in the Pan American Institute of Geography and History; and to authorize the President to extend an invitation for the next general assembly of the Institute to meet in the United States in 1935, and to provide an appropriation for expenses thereof, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

PRINTING AND DISTRIBUTION OF GOVERNMENT PUBLICATIONS

The Senate proceeded to consider the bill (H. R. 6836) to provide for the printing and distribution of Government publications to the National Archives Establishment, which had been reported from the Committee on Printing with amendments, on page 1, line 3, after the enacting clause, to strike out "That title 44 of the Code of Laws of the United States be" and insert "That chapter 23 of the Printing Act, approved January 12, 1895, as amended (U. S. C., title 44, ch. 7), be"; and in line 8, after the words "Public Printer to", to strike out "the" and insert "The", so as to make the bill read:

Be it enacted, etc., That chapter 23 of the Printing Act, approved January 12, 1895, as amended (U. S. C., title 44, ch. 7), be, and is hereby, amended by adding a new section as follows:

"SEC. —. That there shall be printed and delivered by the Public Printer to The National Archives for official use, which shall be chargeable to Congress, two copies each of the following publications:

"House documents and public reports, bound; Senate documents and public reports, bound; Senate and House journals, bound; United States Code and Supplements, bound; Statutes at Large, bound; Official Register of the United States, bound; Decisions of the Supreme Court of the United States, bound; and all other documents bearing a congressional number, and all documents not bearing a congressional number printed upon order of any committee in either House of Congress, or by order of any department, bureau, independent office or establishment, commission, or officer of the Government except confidential matter, blank forms, and circular letters not of a public character; and two copies each of all public bills and resolutions in Congress in each parliamentary stage.

"The Superintendent of Documents shall furnish without cost copies of such publications as may be available for free distribution."

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to provide for the printing and distribution of Government publications to The National Archives."

LAKE CHAMPLAIN BRIDGE COMMISSION

The Senate proceeded to consider the joint resolution (S. J. Res. 122) granting the consent of Congress to the

States of New York and Vermont to enter into an agreement amending the agreement between such States consented to by Congress in Public Resolution No. 9, Seventieth Congress, relating to the creation of the Lake Champlain Bridge Commission which had been reported from the Committee on Commerce with amendments, on page 13, line 21, after the words "bodies of", to strike out the word "this" and to insert in lieu thereof the word "each"; and on page 14, line 1, to strike out the word "the" and insert the word "each", so as to make the joint resolution read:

Resolved, etc., That the consent of Congress is hereby granted to the States of New York and Vermont to enter into the amendatory agreement executed on March 30, 1935, by the commissioners duly appointed on the part of such States, amending the original agreement entered into by such States for the creation of the Lake Champlain Bridge Commission, which original agreement was consented to by Congress by Public Resolution No. 9, Seventieth Congress, approved February 16, 1928, and every part and article of such amendatory agreement is hereby ratified, approved, and confirmed: *Provided*, That nothing therein contained shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of such amendatory agreement; which amendatory agreement is as follows:

Whereas the State of New York and Vermont heretofore and on the 11th day of May 1927 entered into an agreement or compact, duly authorized by law, creating the Lake Champlain Bridge Commission; and

Whereas the legislatures of said States have authorized their respective commissioners to enter into an agreement or compact amending said existing agreement or compact: Now, therefore,

The said States of New York and Vermont do hereby enter into the following agreement, to wit:

The agreement heretofore made between the State of New York and the State of Vermont pursuant to chapter 321 of the laws of 1927 of the State of New York entitled "An act authorizing designated authorities in behalf of the State of New York to enter into an agreement or compact with designated authorities of the State of Vermont for the creation of the Lake Champlain Bridge Commission, the establishment of the Lake Champlain Bridge Commission, and the defining of the powers and duties of such Commission and making an appropriation for such purposes", and no. 139 of the Acts of 1927 of the State of Vermont entitled "An act ratifying a proposed agreement or compact between the State of Vermont and the State of New York relating to the creation of the Lake Champlain Bridge Commission and providing for carrying out the provisions of said agreement or compact", is hereby amended by adding thereto the following articles:

ARTICLE XXII

The Lake Champlain Bridge Commission is hereby authorized to construct as speedily as possible and to maintain and operate an additional highway bridge or bridges and approaches across Lake Champlain between points to be selected by such Commission more than 52 miles north of the bridge heretofore constructed by such Commission: *Provided*, That if any bridge or bridges be constructed under this act, one shall be a bridge from a point in the State of New York at or near Rouses Point to a point in the State of Vermont at Alburg, subject to such consents and approval of Federal authorities in any case as may be necessary. Such bridge so to be constructed is hereinafter sometimes referred to as "Rouses Point Bridge."

ARTICLE XXIII

The said Commission shall have power—

1. To sue and be sued.
2. To acquire, hold, and dispose of personal property.
3. To acquire lands, rights, or property for Rouses Point Bridge as is provided in article 13 hereof for the bridge heretofore constructed by it.
4. To appoint and employ officers, agents, and employees.
5. To make contracts and execute all instruments necessary or convenient.
6. To charge tolls for the use of the Rouses Point Bridge and the bridge heretofore constructed by it, subject to and in compliance with agreements made and to be made with bondholders.
7. To enter on any lands, waters, and premises for the purpose of making surveys, soundings, and examinations.
8. To construct and maintain over or along the Rouses Point Bridge or the bridge heretofore constructed by it, or either of them, telephone, telegraph, or electric wires and cables, gas mains, water mains, and other mechanical equipment not inconsistent with the use of the bridges for vehicular traffic. To contract for such construction and to lease the right to construct and/or use the same on such terms and for such consideration as it shall determine: *Provided, however*, That no lease shall be made for a period of more than 10 years from the date when it is made.
9. Near or on the Rouses Point Bridge or the bridge heretofore constructed by it, to construct and maintain facilities for the public, not inconsistent with the appropriate use of the bridges, to contract for such construction, and to lease the right to construct and/or use such facilities on such terms and for such considerations as it shall determine: *Provided, however*, That no lease shall be made for a period of more than 10 years from the date when it is made.
10. Subject to limitations imposed by any Federal authorities and by any agreement made or to be made with bondholders, to make rules and regulations for the use of Rouses Point Bridge and the bridge heretofore constructed by it. This subdivision shall supersede the provisions of article 9 hereof.
11. To do all things necessary or convenient to carry out the powers expressly given in this agreement.

ARTICLE XXIV

The said Commission may make agreements with bondholders as to the deposit of its funds, and the security to be required therefor, and as to the withdrawal and disbursement thereof. Subject to such agreements, the Commission shall provide for deposit of its funds, security to be required therefor, and the withdrawal and disbursement thereof, and if required by the Commission its deposits shall be secured, and all banks and trust companies are hereby authorized to give such security for such deposits.

ARTICLE XXV

The construction of Rouses Point Bridge shall be by contract or several contracts made and executed in the same manner as provided in article 19 hereof for the contract for the construction of the bridge heretofore constructed by the Commission. The approaches may, in the discretion of the Commission, be constructed by its own employees.

ARTICLE XXVI

1. Such Commission shall have power and is hereby authorized from time to time to issue its negotiable bonds, in addition to those issued prior to the 1st day of March 1933, for any corporate purpose in the aggregate principal amount of not exceeding $1,000,000.
2. Said bonds shall be authorized by resolution of such Commission and shall bear such date or dates, mature at such time or times, not exceeding 50 years from their respective dates, bear interest at such rate or rates, not exceeding 5 percent per annum payable semiannually, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption, not exceeding par and accrued interest, as such resolution or resolutions may provide. Said bonds may be sold at public or private sale for such price or prices as such Commission shall determine: *Provided*, That the interest cost to maturity of the money received for any issue of said bonds shall not exceed 5 percent per annum.
3. Any resolution or resolutions authorizing any of said bonds may contain provisions, which shall be a part of the contract with the holders of said bonds as to—

(a) Pledging the tolls and revenues from the Rouses Point Bridge and, subject to the terms of any agreement with the holders of bonds issued by such Commission before the 1st day of March 1933 (whether contained in this agreement or in the bonds or in proceedings for the issuance of the bonds or otherwise), pledging the tolls and revenues from the bridge heretofore constructed by such Commission;

(b) The rates of the tolls to be charged, and the amount to be raised in each year by tolls, and the use and disposition of the tolls and other revenues;

(c) The setting aside of reserves or sinking funds, and the regulation and disposition thereof;

(d) Limitations on the right of such Commission to restrict and regulate the use of the Rouses Point Bridge and the bridge heretofore constructed by such Commission;

(e) Limitations on the purposes to which the proceeds of sale of any issue of said bonds then or thereafter to be issued may be applied;

(f) Limitations on the issuance of additional bonds;

(g) The procedure, if any, by which the terms of any contract with holders of said bonds may be amended or abrogated, the amount of said bonds the holders of which must consent thereto, and the manner in which such consent may be given.

4. The obligation of such Commission to make payments into the State treasury of each State out of tolls and revenues from the bridge heretofore constructed by such Commission as provided in article 17 hereof is hereby terminated and annulled and the amounts which otherwise would have been so payable into the States' treasuries may be pledged to the payment of said bonds.
5. Neither the members of such Commission nor any person executing such bonds shall be liable personally on said bonds or be subject to any personal liability or accountability by reason of the issuance thereof.
6. Such Commission shall have power out of any funds available therefor to purchase any bonds issued by it at a price not more than the principal amount thereof and accrued interest. All bonds so purchased shall be canceled.

ARTICLE XXVII

1. In the event that such Commission shall default in the payment of principal of or interest on any of the bonds authorized by article 26 hereof after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of 30 days, or in the event that such Commission shall fail or refuse to comply with the provisions of this agreement, or shall default in any agreement made with the holders of said bonds, the holders of 25 percent in aggregate principal amount of said bonds then outstanding, by instrument or instruments filed in the office of the clerk of the county of Clinton, N. Y., or of the clerk of the court of chancery in and for the county of Grand Isle, Vt., and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee

to represent the holders of said bonds for the purposes herein provided.

2. Such trustee may, and upon written request of the holders of 25 percent in principal amount of said bonds then outstanding shall, in his or its own name—

(a) By mandamus or other suit, action or proceeding, at law or in equity, enforce all rights of the holders of said bonds, including the right to require such Commission and its members to collect tolls and rentals adequate to carry out any agreement as to, or pledge of, such tolls and rentals, and to require such Commission and its members to carry out any other agreement with the holders of said bonds and to perform its and their duties under this act;

(b) Bring suit upon said bonds;

(c) By action or suit in equity, require such Commission to account as if it were the trustee of an express trust for the holders of said bonds;

(d) By action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the holders of said bonds;

(e) Declare all said bonds due and payable, and if all default shall have been cured, annul such declaration and its consequences.

3. The Supreme Court of the State of New York and the court of chancery in and for the county of Grand Isle and the county court of Grand Isle County, in the State of Vermont, each within the limits of its jurisdiction over persons and property, shall, respectively, have jurisdiction of suits, actions, and proceedings by the trustee on behalf of the bondholders. The venue of any such suits, actions, or proceedings in New York shall be laid in Clinton County and in Vermont in Grand Isle County. Service of process of any of such courts upon any member of such Commission shall constitute service on such Commission.

4. Before declaring the principal of all such bonds due and payable the trustees shall first give 30 days' notice in writing to a member of such Commission.

5. Any such trustee shall, whether or not all said bonds have been declared due and payable, be entitled as of right to the appointment of a receiver and ancillary receiver, who may enter and take possession of the bridges or any part or parts thereof and operate and maintain the same and of any and all other property of the commission and collect and receive all tolls, rentals, and other revenues thereafter arising from said bridges and property in the same manner as the bridge authority itself might do, and shall deposit all such moneys in a separate account and apply the same in such manner as the court shall direct. The court of the State to which application is first made therefor shall have jurisdiction to appoint the receiver and the court of the State to which application is thereafer made shall have jurisdiction to appoint the ancillary receiver. In any suit, action, or proceedings by the trustee the fees, counsel fees, and expenses of the trustee and of the receiver and ancillary receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any tolls, rentals, and other revenues derived from the bridges.

6. Said trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the holders of said bonds in the enforcement and protection of their rights.

ARTICLE XXVIII

The bonds and other obligations of such Commission shall not be a debt of the State of New York or of the State of Vermont, and neither State shall be liable thereon, nor shall they be payable out of any funds other than those of such Commission.

ARTICLE XXIX

The bonds authorized by article 26 hereof shall be exempt from taxation except for transfer, estate, and inheritance taxes and are hereby made securities in which all public officers and bodies of each State and all municipalities and municipal subdivisions, all insurance companies and associations, all savings banks and savings institutions, including savings and loan associations, administrators, guardians, executors, trustees, and other fiduciaries in each State may properly and legally invest funds in their control.

ARTICLE XXX

1. After applying all tolls and other revenues from Rouses Point Bridge and from the bridge heretofore constructed by such Commission—

(a) While any bonds of such Commission are outstanding, to meet all agreements with the holders thereof; and

(b) To meet all requirements for operation and maintenance of said bridges, such Commission shall set aside as a reserve for future operation and maintenance such sum as such Commission shall deem advisable not exceeding the estimated amount required for operation and maintenance for 1 year.

2. Such Commission shall pay any excess of tolls and revenues not required for said purposes annually into the treasuries of the States of New York and Vermont until the amount so paid shall equal the advances heretofore made by such States to such Commission with interest on the unpaid balance of such advances at the rate of 4 percent per annum from the date of such advances, the amount to be paid to said States, respectively, being prorated in accordance with the respective unpaid balances of such advances.

3. It is the declared purpose of each of the contracting parties that both of said bridges will eventually be free bridges and to that end it is agreed that after the payment of all obligations which may be issued by such Commission and after the State of New York and the State of Vermont shall have been fully repaid for any and all moneys that have been advanced by them, together with interest thereon, said States by concurrent legislation shall provide the method and procedure for the future operation, maintenance, and control of said bridges.

ARTICLE XXXI

The construction, maintenance, and operation of Rouses Point Bridge is in all respects for the benefit of the people of the two States, for the increase of their commerce and prosperity, and for the improvement of their health and living conditions, and such Commission shall be regarded as performing a governmental function in undertaking the said construction, maintenance, and operation and carrying out the provisions of law relating to the said bridge, and shall be required to pay no taxes or assessments upon any of the property acquired by it for the construction, operation, and maintenance of such bridge, and the interest of either State in any tolls collected under this article shall be free from any State, county, municipal, or local taxation whatsoever in the other State.

ARTICLE XXXII

Such Commission shall have the power to apply to the Congress of the United States or any department of the United States for consent and approval of this agreement, as amended, and of the Rouses Point Bridge to be constructed hereunder, but in the absence of such consent by Congress and until the same shall have been secured, this agreement, as amended, shall be binding upon the State of New York when ratified by it and the State of Vermont when ratified by it without the consent of Congress to cooperate for the purposes enumerated in this agreement and in the manner herein provided.

ARTICLE XXXIII

Notwithstanding anything in article 22 and all subsequent articles hereof, this agreement shall not authorize such Commission to do any act or thing which shall violate the rights of the holders of bonds issued by it prior to the 1st day of March 1933, and the provisions hereof relating to any and all rights and remedies of the holders of bonds issued under the provisions of article 26 and subsequent articles of this agreement shall not be construed to violate or to authorize the violation of any of the rights of the holders of bonds issued prior to said date.

ARTICLE XXXIV

The States of New York and Vermont do hereby pledge themselves and it is hereby agreed with those subscribing to the bonds issued by such Commission pursuant to article 26, and subsequent articles hereof, that the States will not authorize the construction or maintenance of any other highway crossing for vehicular traffic over Lake Champlain between the two States in competition with Rouses Point Bridge, nor will it limit or alter any rights vested in such Commission to establish and levy such tolls as it may deem convenient and necessary to produce sufficient revenue to meet the expense and operation of such bridge and the bridge heretofore constructed by such Commission, and to fulfill the terms of the obligations assumed by such Commission in relation to such bridges until the said bonds, with interest thereon, are fully met and discharged: *Provided*, That such crossing shall be construed as competitive with Rouses Point Bridge only if it shall form a highway connection for vehicular traffic between the two States across Lake Champlain north of the existing bridge heretofore constructed by such Commission. The provisions of this article shall constitute an agreement between the two States for the benefit of those holding the bonds of such Commission, and such Commission may include in bonds issued by it such part of this agreement as shall seem proper as evidence of the foregoing agreement made by the two States with the holders of the said bonds.

ARTICLE XXXV

The State of New York and the State of Vermont hereby consent to the use and occupation of any lands of such States, respectively, if any, lying under the waters of Lake Champlain, necessary for the construction and maintenance of Rouses Point Bridge.

In witness whereof, we have signed this compact or agreement, in duplicate, by and under the authority of chapter 201 of the Laws of 1933, as amended by chapter 355 of the Laws of 1935 of the State of New York, and by and under the authority of an act passed by the General Assembly of the State of Vermont entitled "An act authorizing an agreement or compact between the State of Vermont and the State of New York to amend the existing agreement or compact between said States creating the Lake Champlain Bridge Commission, in relation to the construction of a new bridge across Lake Champlain, the issuance of bonds by said Commission, and providing for the payment of said bonds", approved by the Governor, February 27, 1935, as amended by the act amending said act, approved by the Governor, March 21, 1935, this 30th day of March 1935.

Mortimer Y. Ferris, Marion L. Thomas, William Berman, as commissioners upon the part of the State of New York; John J. Bennett, Jr., attorney general of the State of New York.

George Z. Thompson, William R. Warner, Ford M. Thomas, as commissioners upon the part of the State of Vermont; Lawrence C. Jones, attorney general of the State of Vermont.

In the presence of Walter L. Moore and W. C. Foote.

Attorney General John J. Bennett, Jr., signed on the 11th day of April 1935 in the presence of Joseph M. Mesnig.

Attorney General Lawrence C. Jones signed on the 17th day of April 1935 in the presence of Elizabeth L. Barber.

SEC. 2. The right to alter, amend, or repeal this resolution is hereby expressly reserved.

The amendments were agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

EXAMINATION OF CONNECTICUT RIVER

The Senate proceeded to consider the bill S. 203, which had been reported from the Committee on Commerce with an amendment, to strike out the last section of the bill, as follows:

SEC. 2. The Secretary of War is also authorized and directed to proceed with the construction of dikes, drainage gates, suitable pumping plants, and other facilities for controlling floods on the Connecticut River at East Hartford, Conn., pursuant to a special survey made by the district engineer at Providence, R. I., and in conformity with either plan A or plan B designated in the report of said survey. Selection of the plan to be executed shall be made by the Secretary of War with the approval of the town of East Hartford: *Provided*, That the cost of such work shall not exceed $658,000.

So as to make the bill read:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Connecticut River, with a view to control of its floods and prevention of erosion of its banks in the State of Connecticut, in accordance with the provisions of section 3 of the act entitled "An act to provide for the control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917 (U. S. C., title 33, sec. 701), the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, survey, and contingencies of rivers and harbors. Said report will be separate and distinct from surveys previously made in the joint interests of flood control, navigation, and power development.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GOLDSBOROUGH CREEK, WASH.

The bill (S. 2832) to provide a preliminary examination of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Goldsborough Creek, in Mason County, State of Washington, with a view to the control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

SABINE RIVER BRIDGE, LOUISIANA AND TEXAS

The bill (H. R. 6987) authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River at or near a point where Louisiana Highway No. 7 meets Texas Highway No. 87, was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE, NEBRASKA

The Senate proceeded to consider the bill (H. R. 7081) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr., which was read, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge authorized by act of Congress approved February 26, 1929, heretofore extended by acts of Congress approved June 10, 1930, March 4, 1933, and June 12, 1934, to be built by the Brownville Bridge Co. across the Missouri River at or near Brownville, Nebr., are hereby further extended 1 and 3 years, respectively, from June 12, 1935.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill? I see that the Department of Agriculture objected to it.

Mr. COPELAND. Mr. President, the bill was given very serious consideration by our committee.

Mr. McKELLAR. What was the objection of the Department of Agriculture?

Mr. SHEPPARD. Mr. President, the Department of Agriculture originally objected because it did not believe that a private toll bridge should be established at this point, and now makes the additional objection that, permission having been renewed a number of times without action by the company, no further time should be allowed. The committee, after looking into the situation, feels that the parties desiring to build the bridge should be given another opportunity.

Mr. McKELLAR. The Department of Agriculture recommends against favorable action.

Mr. SHEPPARD. On the grounds I have named. The War Department makes no objection.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2551) to make immediately available the unexpended balances of certain appropriations for the construction or reconstruction of roads and bridges in the flood areas of Missouri, Mississippi, Louisiana, Arkansas, Kentucky, and Alabama was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

JEFFERSON DAVIS NATIONAL HIGHWAY MARKER

The bill (S. 2737) authorizing the erection in the District of Columbia of a suitable terminal marker for the Jefferson Davis National Highway was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Director of the National Park Service is authorized and directed to select, with the approval of the National Capital Park and Planning Commission, a suitable site within the public grounds of the United States in the District of Columbia (other than the grounds of the Capitol, the Library of Congress, and the White House), and to grant permission to the United Daughters of the Confederacy to erect thereon an appropriate terminal marker for the Jefferson Davis National Highway, as a gift to the people of the United States. The design of such marker shall be approved by the National Commission of Fine Arts and such marker shall be erected under the supervision of the Director of the National Park Service, but the United States shall be put to no expense in or by the erection thereof.

GEORGE ROGERS CLARK SESQUICENTENNIAL COMMISSION

The Senate proceeded to consider the bill (S. 2865) to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928, which had been reported from the Committee on the Library with an amendment, on page 1, line 10, to strike out the words "the sum of" and to insert in lieu thereof the words "a sum not to exceed", so as to read:

Be it enacted, etc., That section 8 of the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928, as amended, is hereby amended to read as follows:

"SEC. 8. The Commission shall cease and terminate June 30, 1937."

SEC. 2. There is hereby authorized to be appropriated, in addition to the sums heretofore appropriated for carrying out the purposes of such joint resolution, as amended, a sum not to exceed $50,000 for carrying out such purposes.

SEC. 3. The unexpended balances of the appropriations heretofore made for carrying out the purposes of such joint resolution, as amended, shall be available until expended.

Mr. KING. Mr. President, I recall that when a similar bill was before the Senate several years ago, calling for a rather large appropriation, there was some discussion, and I was wondering what the reason is now for a further appropriation, because a very large appropriation was made when the original bill was passed.

Mr. McKELLAR. Mr. President, what the Senator says is accurate, but the Commission has built a wonderfully beautiful monument, I am told; I have seen pictures of it, but I have not seen the monument itself, though I am a member of the Commission.

When the Commission finished the monument they found some railroad yards and other properties near it, which

practically destroyed the looks of the whole memorial, and it is absolutely necessary to have a little more money in order to complete the memorial.

Mr. KING. Why does not the State do the work?

Mr. McKELLAR. I wish to say for the State of Indiana that it has been extraordinarily liberal. It has contributed a very large share of the cost of the monument, and I hope Senators will visit and look at the monument, because it is really a memorial of historic interest. A great many people think it is even more beautiful than the Lincoln Memorial. It is marred, however, by the eyesores to which I have referred, and the memorial should be completed.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JEAN JULES JUSSERAND

The joint resolution (H. J. Res. 204) authorizing the erection of a memorial to the late Jean Jules Jusserand, was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 2583) establishing certain commodity divisions in the Department of Agriculture was announced as next in order.

SEVERAL SENATORS. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 810) equalizing annual leave of employees of the Department of Agriculture stationed outside the continental limits of the United States was announced as next in order.

Mr. McKELLAR. Mr. President, I should like to have this bill go over.

The PRESIDING OFFICER. The bill will be passed over.

POWERS AND DUTIES OF UNITED STATES MARSHALS

The bill (H. R. 5456) relating to the powers and duties of United States marshals was announced as next in order.

Mr. KING. Mr. President, may I ask the Senator from New Mexico if the present law is not sufficiently comprehensive?

Mr. HATCH. Mr. President, I reported this bill at the request of the committee. I do not believe I was present when it was considered. I do not know how the bill would change the present law.

The first section of the bill would give authority to the United States marshal to execute processes within his district, and to command necessary assistants in the execution of his duties.

The second section provides that the marshal or his deputies shall have power to make arrests without warrant for offenses against the laws of the United States committed in their presence, or for any felony committed against the laws of the United States.

Mr. KING. I ask that the bill go over.

Mr. McKELLAR. Mr. President, I had a memorandum about this bill, and I know it is a measure which should be passed, but if the Senator wants it to go over, I shall not object.

The PRESIDING OFFICER. Without objection, the bill will be passed over.

Mr. HATCH subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 812, H. R. 5456.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 5456) relating to the powers and duties of United States marshals.

Mr. HATCH. Since this bill was called I have made some investigation, and I find that the bill changes the law in this respect, that under the existing law a United States marshal cannot arrest without a warrant, although an offense is being committed in his presence. This bill gives him that authority. I have made this explanation to the Senator from Utah [Mr. KING], and the bill is agreeable to him.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

STEERING RULES FOR VESSELS IN WATERS OF THE UNITED STATES

The Senate proceeded to consider the bill (S. 2556) to amend and supplement the steering rules respecting orders to helmsmen on all vessels navigating waters of the United States, and on all vessels of the United States navigating any waters or seas, in section 1 of the act of August 19, 1890, section 1 of the act of June 7, 1897, section 1 of the act of February 8, 1895, and section 1 of the act of February 19, 1895, which had been reported from the Committee on Commerce with amendments, on page 2, line 3, to strike out the words "'Starboard' or"; on line 5 to strike out the words "'Port' or"; on line 14 to strike out the words "'Starboard' or"; on line 16 to strike out the words "'Port' or"; on page 3, line 22, to strike out the words "'Starboard' or"; on line 24, to strike out the words "'Port' or"; on page 4, line 8, to strike out the words "'Starboard' or"; on line 10, to strike out the words "'Port' or"; and to add a new section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That section 1 of the act of August 19, 1890 (ch. 802, 26 Stat. 320; U. S. C., title 33, secs. 61 to 141, arts. 1 to 31), is amended and supplemented by adding at the end thereof as section 142, title 33, of the United States Code the following:

"ART. 32. All orders to helmsmen shall be given as follows:

"'Right Rudder' to mean 'Direct the vessel's head to starboard.'

"'Left Rudder' to mean 'Direct the vessel's head to port.'"

SEC. 2. Section 1 of the act of June 7, 1897 (ch. 4, 30 Stat. 96; U. S. C., title 33, secs. 154 to 231, arts. 1 to 31), is amended and supplemented by adding at the end thereof as section 232, title 33, of the United States Code the following:

"ART. 32. All orders to helmsmen shall be given as follows:

"'Right Rudder' to mean 'Direct the vessel's head to starboard.'

"'Left Rudder' to mean 'Direct the vessel's head to port.'"

Article 18, rule VIII, of said section 1 is amended to read as follows:

"RULE VIII. When steam vessels are running in the same direction, and the vessel which is astern shall desire to pass on the right or starboard hand of the vessel ahead, she shall give one short blast of the steam whistle, as a signal of such desire, and if the vessel ahead answers with one blast, she shall direct her course to starboard, or if she shall desire to pass on the left or port side of the vessel ahead, she shall give two short blasts of the steam whistle as a signal of such desire, and if the vessel ahead answers with two blasts, shall direct her course to port; or if the vessel ahead does not think it safe for the vessel astern to attempt to pass at that point, she shall immediately signify the same by giving several short and rapid blasts of the steam whistle, not less than four, and under no circumstances shall the vessel astern attempt to pass the vessel ahead until such time as they have reached a point where it can be safely done, when said vessel ahead shall signify her willingness by blowing the proper signals.

"The vessel ahead shall in no case attempt to cross the bow or crowd upon the course of the passing vessel."

SEC. 3. Section 1 of the act of February 8, 1895 (ch. 64, 28 Stat. 645; U. S. C., title 33, secs. 241 to 293, rules 1 to 28), is amended and supplemented by adding at the end thereof as section 294, title 33, of the United States Code the following:

"RULE 29. All orders to helmsmen shall be given as follows:

"'Right Rudder" to mean 'Direct the vessel's head to starboard.'

"'Left Rudder' to mean 'Direct the vessel's head to port.'"

SEC. 4. Section 1 of the act of February 19, 1895 (ch. 102, 28 Stat. 672; U. S. C., title 33, secs. 301 to 351, rules 1 to 26), is amended and supplemented by adding at the end thereof as section 352, title 33, of the United States Code, the following:

"RULE 27. All orders to helmsmen shall be given as follows:

"'Right Rudder' to mean 'Direct the vessel's head to starboard.'

"'Left Rudder' to mean 'Direct the vessel's head to port.'"

SEC. 5. The provisions of this act shall become fully effective for all ocean and coastwise vessels on January 1, 1936, and for all vessels on the Great Lakes, bays, sounds, harbors, rivers, and lakes other than the Great Lakes, of the United States on January 1, 1937.

Mr. McKELLAR. Mr. President, is there any Senator here who can give an explanation of this bill?

Mr. COPELAND. Mr. President, I think this is one of the most important bills we have had before us at this session. If this measure had been on the law books at the time, the *Mohawk* disaster would not have occurred.

The bill is designed to make certain that hereafter when the helmsman of a ship is told to turn to the right he will turn the ship to the right, instead of having occur what happened under the old system—have the ship possibly turn to the left. When such an error was made, the *Mohawk* went ahead of the vessel alongside her, and the *Mohawk* was pierced, as a result of which she went to the bottom of the sea with 50 people aboard.

Mr. McKELLAR. The Department recommended certain amendments. Were they included in the bill?

Mr. COPELAND. They have been included.

Mr. McKELLAR. The Department approves the bill?

Mr. COPELAND. Thoroughly. If we can have the Senate ratify the Safety at Sea Treaty, a great many of such accidents as have occurred will not happen in the future, and much suffering will be prevented.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REVENUES FROM THE SHOSHONE POWER PLANT

The Senate proceeded to consider the bill (S. 2286) providing for the allocation of net revenues of the Shoshone power plant of the Shoshone reclamation project in Wyoming, which had been reported from the Committee on Irrigation and Reclamation with an amendment, on page 2, line 2, to strike out the words "Garland, Frannie, and Willwood", and to insert in lieu thereof the words "Garland and Frannie", so as to make the bill read:

Be it enacted, etc., That the net revenues from the Shoshone power plant of the Shoshone irrigation project, properly and equitably allocatable to the unconstructed portions of the Shoshone project from the operation of the Shoshone power plant, shall be applied, first, to the repayment of the proportionate construction cost of the power system; second, to the repayment of the proportionate construction cost of the Shoshone Dam; and third, thereafter such net revenues shall be paid into the reclamation fund, and that the Secretary of the Interior shall apply the net revenues properly and equitably apportioned or to be apportioned to the Garland and Frannie divisions of said project, in accord with the terms and provisions of existing contracts with the water users on said project.

SEC. 2. That all acts or parts of acts in conflict herewith are hereby repealed.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from Wyoming [Mr. O'MAHONEY] to give an explanation of this bill in view of the very emphatic letter from the Acting Secretary of the Interior opposing it?

Mr. O'MAHONEY. Mr. President, the bill undertakes to correct what I deem to be a serious injustice to the settlers upon the Shoshone reclamation project.

In 1924 as a result of an extended investigation there was enacted an act known as the "Fact Finders Act" which authorized the Government of the United States to enter into contracts with the water users' associations on reclamation projects whenever the water users' associations took over various projects.

Such a contract was made in Wyoming by the water users on the Frannie and Garland divisions of the Shoshone project. This contract authorized the water users to have the benefit, upon the construction charges of the project, of the profits of the power plant. That was the contract between the water users and the Government. The exact language of the agreement is quoted in the report, as follows:

Should any net profits be realized by the United States from any of the various sources named in subsections I and J of said act of Congress of Decemer 5, 1924, the same will be announced and determined each year by the Secretary in a written statement to be sent to the district. The portion of such net profit, if any, as determined by the Secretary, shall be credited each year as follows:

(a) On the annual installment project construction charges (including the construction charges payable by nonconsenting application landowners) of the district beginning with the installment first coming due and continuing with succeeding construction installments as far as such credit will go until the entire construction indebtedness of the district has been paid.

Later, in March 1929, there was attached to the Interior Department appropriation bill by way of rider in the House of Representatives an amendment which abrogated that contract and deprived the water users of the right to have the earnings applied on the construction indebtedness of the district.

The curious thing is that two riders were presented, one affecting the North Platte project in Nebraska and Wyoming, and the other affecting the Shoshone project. That which affected the North Platte project was ruled out upon a point of order raised by a Representative from the State of Nebraska. No point of order was raised against the rider affecting the Shoshone project, so it became the law. Consequently, the water users of the Shoshone project were deprived of their contract.

The letter of the Secretary, to which the Senator has alluded, bases its entire argument upon that rider. This bill merely puts the water users back in the position in which they were by virtue of the contracts.

Mr. LA FOLLETTE. What has the Senator from Wyoming to say with regard to the following statement appearing on page 4 of the report?—

The water users of the Frannie division are not obligated to repay any part of the construction cost of the power plant, and, therefore, have no contractual right to the net revenues derived from the operations of the plant.

Mr. O'MAHONEY. That statement is based upon the act of March 4, 1929, the rider that abrogated the contract. The only tenable objection, I think, is taken care of in one of the amendments which are offered. The amendment strikes out the division which has no contractual agreement.

Mr. LA FOLLETTE. To that extent, then, the bill, as amended, would meet this particular objection of the Department?

Mr. O'MAHONEY. Yes; but the Department has stood on the act of March 4, 1929. The bill recognized the contract made by virtue of the act of December 5, 1924.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATURALIZATION OF ALIEN VETERANS OF THE WORLD WAR

The bill (S. 2015) to extend the time for naturalization of alien veterans of the World War was announced as next in order.

Mr. AUSTIN. Mr. President, there is an identical bill, House bill 2729, Calendar No. 892, not on the printed calendar, but reported today. It would expedite common action by both Houses of Congress if the House bill were substituted for the Senate bill.

I therefore ask unanimous consent to substitute the House bill for the Senate bill and that the House bill be now considered.

Mr. McKELLAR. Is it exactly the same bill?

Mr. AUSTIN. Identically.

The PRESIDING OFFICER. Has the Senator a copy of the bill?

Mr. AUSTIN. I have. I send it to the desk.

Mr. COPELAND. Is it in the same language as the Senate bill as amended?

Mr. AUSTIN. It is.

Mr. COPELAND. I think the Senator makes a very wise suggestion.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont?

There being no objection, the Senate proceeded to consider the bill (H. R. 2739) to extend further time for naturalization to alien veterans of the World War under the act approved May 25, 1932 (47 Stat. 165), to extend the same privileges to certain veterans of countries allied with the United States during the World War, and for other purposes, which had been reported from the Committee on Immigration with an amendment to strike out all after the enacting clause and to insert in lieu thereof the following:

That subdivision (a) of section 1 of the act entitled "An act to further amend the naturalization laws, and for other purposes", approved May 25, 1932 (47 Stat. 165; U. S. C., Supp. VII, title 8, sec. 392b (a)), shall, as herein amended, continue in force and effect to include petitions for citizenship filed prior to May 25,

1937, with any court having naturalization jurisdiction: *Provided*, That for the purposes of this act clause (1) of subdivision (a) of section 1 of the aforesaid act of May 25, 1932, is amended by striking out the words "All such period" and in lieu thereof inserting the words "the 5 years immediately preceding the filing of his petition."

SEC. 2. The provisions of section 1 of this act are hereby extended to include any alien lawfully admitted into the United States for permanent residence who departed therefrom between August , 1914, and April 5, 1917, or who, having been denied entry into the military and naval forces of the United States, departed therefrom subsequent to April 5, 1917, for the purpose of serving, and actually served prior to November 11, 1918, in the military or naval forces of any of the countries allied with the United States in the World War and was discharged from such service under honorable circumstances: *Provided*, That before any applicant for citizenship under this section is admitted to citizenship, the court shall be satisfied by competent proof that he is entitled to, and has complied in all respects with, the provisions of this act; and that he was and had been a bona fide lawfully admitted resident in the United States for 2 years before the passage of this act.

SEC. 3. The Commissioner of Immigration and Naturalization, with the approval of the Secretary of Labor, shall prescribe such rules and regulations as may be necessary for the enforcement of this act.

Mr. COPELAND. Mr. President, I understand that the words are identical with the amendment which was offered by the Senate committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the Senate committee.

The amendment was agreed to.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2015 will be indefinitely postponed.

CUSTODY OF FEDERAL DOCUMENTS

Mr. BARKLEY. Mr. President, two or three times Calendar No. 576, House bill 6323, has been reached and passed over. I ask that we recur to the bill in order that I may offer several amendments to it. The bill is a very important measure providing for the preservation of public documents by the Archivist.

I ask unanimous consent to recur to Calendar No. 576 in order that I may offer the amendments.

The PRESIDING OFFICER. Is there objection?

There being no objection the Senate proceeded to consider the bill (H. R. 6323) to provide for the custody of Federal proclamations, orders, regulations, notices, and other documents, and for the prompt and uniform printing and distribution thereof.

Mr. BARKLEY. Mr. President, I offer several amendments, which I ask to have stated.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. In section 2, page 2, line 9, after the word "open", it is proposed to strike out "at all hours for that purpose" and insert "for that purpose during all hours of the working days when the Archives Building shall be open for official business", so as to make the section read:

SEC. 2. The original and two duplicate originals or certified copies of any document required or authorized to be published under section 5 shall be filed with the Division, which shall be open for that purpose during all hours of the working days when the Archives Building shall be open for official business. The Director of the Division shall cause to be noted on the original and duplicate originals or certified copies of each document the day and hour of filing thereof: *Provided*, That when the original is issued, prescribed, or promulgated outside of the District of Columbia and certified copies are filed before the filing of the original, the notation shall be of the day and hour of filing of the certified copies. Upon such filing, at least one copy shall be immediately available for public inspection in the office of the Director of the Division. The original shall be retained in the archives of the National Archives Establishment and shall be available for inspection under regulations to be prescribed by the Archivist. The Division shall transmit immediately to the Government Printing Office for printing, as provided in this act, one duplicate original or certified copy of each document required or authorized to be published under section 5. Every Federal agency shall cause to be transmitted for filing as herein required the original and the duplicate originals or certified copies of all such documents issued, prescribed, or promulgated by the agency.

The amendment was agreed to.

The CHIEF CLERK. In section 3, page 3, line 13, after the word "required", it is proposed to strike out "by the Archivist", so as to make the section read:

SEC. 3. All documents required or authorized to be published under section 5 shall be printed and distributed forthwith by the Government Printing Office in a serial publication designated the "Federal Register." It shall be the duty of the Public Printer to make available the facilities of the Government Printing Office for the prompt printing and distribution of the Federal Register in the manner and at the times required in accordance with the provisions of this act and the regulations prescribed hereunder. The contents of the daily issues shall be indexed and shall comprise all documents, required or authorized to be published, filed with the Division up to such time of the day immediately preceding the day of distribution as shall be fixed by regulations hereunder. There shall be printed with each document a copy of the notation, required to be made under section 2, of the day and hour when, upon filing with the Division, such document was made available for public inspection. Distribution shall be made by delivery or by deposit at a post office at such time in the morning of the day of distribution as shall be fixed by such regulations prescribed hereunder. The prices to be charged for the Federal Register may be fixed by the administrative committee established by section 6 without reference to the restrictions placed upon and fixed for the sale of Government publications by section 1 of the act of May 11, 1922, and section 307 of the act of June 30, 1932 (U. S. C., title 44, secs. 72 and 72a), and any amendments thereto.

The amendment was agreed to.

The CHIEF CLERK. In section 7, page 6, line 18, after the words "shall be", it is proposed to strike out "effective" and insert "valid", so as to make the section read:

SEC. 7. No document required under section 5 (a), to be published in the Federal Register shall be valid as against any person who has not had actual knowledge thereof until the duplicate originals or certified copies of the document shall have been filed with the Division and a copy made available for public inspection as provided in section 2; and, unless otherwise specifically provided by statute, such filing of any document, required or authorized to be published under section 5, shall, except in cases where notice by publication is insufficient in law, be sufficient to give notice of the contents of such documents to any person subject thereto or affected thereby. The publication in the Federal Register of any document shall create a rebuttable presumption (a) that it was duly issued, prescribed, or promulgated; (b) that it was duly filed with the Division and made available for public inspection at the day and hour stated in the printed notation; (c) that the copy contained in the Federal Register is a true copy of the original; and, (d) that all requirements of this act and the regulations prescribed hereunder relative to such document have been complied with. The contents of the Federal Register shall be judicially noticed and, without prejudice to any other mode of citation, may be cited by volume and page number.

The amendment was agreed to.

The CHIEF CLERK. In section 9, page 8, line 14, after the word "borne", it is proposed to strike out "by the general appropriation to the Government Printing Office and such appropriation is hereby made available, and is authorized to be increased by an amount equal to the amount so covered into the Treasury and such additional sums as are necessary, for such purposes", and to insert "by the appropriations to the Government Printing Office and such appropriations are hereby made available, and are authorized to be increased by such additional sums as are necessary for such purposes, such increases to be based upon estimates submitted by the Public Printer", so as to make the section read:

SEC. 9. Every payment made for the Federal Register shall be covered into the Treasury as a miscellaneous receipt. The cost of printing, reprinting, wrapping, binding, and distributing the Federal Register and any other expenses incurred by the Government Printing Office in carrying out the duties placed upon it by this act shall be borne by the appropriations to the Government Printing Office, and such appropriations are hereby made available and are authorized to be increased by such additional sums as are necessary for such purposes, such increases to be based upon estimates submitted by the Public Printer. The purposes for which appropriations are available and are authorized to be made under section 10 of the act entitled "An act to establish a National Archives of the United States Government, and for other purposes" (48 Stat. 1122), are enlarged to cover the additional duties placed upon the National Archives Establishment by the provisions of this act. Copies of the Federal Register mailed by the Government shall be entitled to the free use of the United States mails in the same manner as the official mail of the executive departments of the Government. The cost of mailing the Federal Register to officers and employees of Federal agencies in foreign countries shall be borne by the respective agencies.

The amendment was agreed to.

The CHIEF CLERK. In section 10, page 9, line 10, after the word "thereafter", it is proposed to insert a colon and the following proviso:

Provided, That the appropriations involved have been increased as required by section 9 of this act.

So as to make the section read:

SEC. 10. The provisions of section 2 shall become effective 60 days after the date of approval of this act and the publication of the Federal Register shall begin within 3 business days thereafter: *Provided*, That the appropriations involved have been increased as required by section 9 of this act. The limitations upon the effectiveness of documents required, under section 5 (a), to be published in the Federal Register shall not be operative as to any document issued, prescribed, or promulgated prior to the date when such document is first required by this or subsequent act of the Congress or by Executive order to be published in the Federal Register.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXTENSION OF NATIONAL INDUSTRIAL RECOVERY ACT

Mr. HARRISON. Mr. President, I desire to make a statement regarding the N. R. A.

The Committee on Finance has been working for about 3 hours with reference to the N. R. A. joint resolution which the Senate passed and which is again before our committee with the House amendment. We have agreed on an amendment to the House amendment, and I had hoped that I might this afternoon move to concur in the House amendment with an amendment, but I find that some Senators have been told that the matter would not come up this afternoon. The distinguished leader on the other side has just stated to me that he had so informed several Senators and that they had left.

I do not believe there will be any controversial discussion about the matter, so I am going to abide by the wishes of those in charge. I should like to have stated the motion which I expect to make tomorrow, so that it may be printed tonight and Senators may see just what the proviso will be.

Mr. McKELLAR. I ask that the motion be read.

The PRESIDING OFFICER. The motion of the Senator from Mississippi will be read.

The Chief Clerk read as follows:

Amendment proposed by Mr. HARRISON: I move that the Senate concur in the amendment of the House to the text of the joint resolution with the following amendment: Strike out the period at the end of the matter proposed to be inserted by said amendment and insert in lieu thereof a colon and the following:

"*Provided*, That the exemption provided in section 5 of such title shall extend only to agreements and action thereunder (1) putting into effect the requirements of section 7 (a), including minimum wages, maximum hours, and prohibition of child labor, and (2) prohibiting unfair competitive practices which offend against existing law or which constitute unfair methods of competition under the Federal Trade Commission Act, as amended."

Mr. HARRISON. Mr. President, I do not care to go into a discussion of the matter this afternoon; but I may say that of course the codes have been stripped from the N. R. A. by the decision of the Supreme Court. The license features have expired by law, and the joint resolution as amended now provides only for voluntary agreements as to transactions in interstate commerce, or affecting interstate commerce. The antitrust law was suspended in making these voluntary agreements. Of course they were not to be in contravention of the purposes of title I of the act, which sought to preserve the law against monopolistic tendencies, monopolies, and so forth. We especially provide in the amendment, however, that these voluntary agreements shall be restricted to the matters embodied in the amendment—namely, the collective bargaining feature provided for in section 7 of the act, minimum hours and wages, and child labor—and that they shall not offend against those laws which are now on the statute books as carried in the Federal Trade Commission Act, and so on.

Mr. McKELLAR. How long are the agreements to continue?

Mr. HARRISON. We do not change that at all. They have to expire on April 1 of next year.

I wish to make a suggestion to the Senator from Kentucky. The Senator from Oregon tells me that it is agreeable to him that when we recess this afternoon we shall recess until 11:30 tomorrow morning, and that this matter may be brought up first, so that it may go to the House. I would not make this request if it were not for the fact that legislation on the subject must be enacted by the 16th of this month, and the joint resolution has to go back to the House for action there.

Mr. BARKLEY. Mr. President, in view of the fact that we have already entered into a unanimous-consent agreement as to the time when we shall vote on the pending bill, and in order not to interfere with that order of business, I believe it will be wise to meet at 11:30 a. m. tomorrow. I therefore ask unanimous consent that when the Senate concludes its business today it take a recess until 11:30 a. m. tomorrow.

Mr. BORAH. Mr. President, in what condition as to force and effect are the antitrust laws with this amendment written into the law?

Mr. HARRISON. I do not believe the Sherman antitrust law would be suspended by this voluntary-agreement provision. I think if the parties should get together under voluntary agreements to do the things here specified that they may do, they would not in any way be violating the Sherman antitrust law. Some lawyers think they would be. It is their opinion that the Sherman antitrust law would be in full force and effect.

Mr. BORAH. Is it the understanding of the committee that this would leave the Sherman antitrust law in full force and effect?

Mr. HARRISON. It is.

Mr. BORAH. Is that the unanimous opinion of the committee?

Mr. HARRISON. It is the opinion of all who expressed themselves and we had a pretty full committee meeting. There are some who believe that when gentlemen get together even for a voluntary agreement, the courts might grab them under the Sherman antitrust law. Therefore we have specified that they might do these particular things.

Mr. BORAH. I take it that those who think if they get together and talk over these matters they would be amenable to the Sherman antitrust laws, would be relieved under this provision?

Mr. HARRISON. That is true.

Mr. COUZENS. Mr. President, I do not think the Senator from Mississippi got the purport of the question propounded by the Senator from Idaho, because it was contemplated by the committee that unless provisions were inserted which are perfectly legal in themselves, the mere getting together of the industries would be implied as a violation of the antitrust law. The committee, as I understand, was absolutely unanimous that none of the antitrust laws were suspended in any way.

Mr. BORAH. Nor would they be under this amendment?

Mr. COUZENS. Nor would they be under this amendment. This amendment was a notice, if you please, to the industries that they could get together for these purposes which are already lawful, and make agreements without being tainted with the charge of an attempt to violate the antitrust law.

Mr. HARRISON. As I said a moment ago, even getting together to talk over the matter is feared by some to be a violation of the antitrust law.

Mr. BARKLEY. These things specifically relate only to maximum hours and wages and child labor——

Mr. COUZENS. Oh, no.

Mr. BARKLEY. In addition to section 7a which was, of course, a part of the N. R. A. act.

Mr. HARRISON. It also covers any arrangement prohibiting unfair practices which offend against the existing

law. That is written in the measure because it follows the language of the Supreme Court in its recent opinion.

Mr. BORAH. The second provision of the resolution provides that "These practices shall not be such practices as offend against existing law."

Mr. HARRISON. That is correct. That would include the antitrust law.

Mr. BORAH. It is difficult for me understand the necessity for this portion of the joint resolution. It it does not in any sense affect existing law, the parties could do anything that the existing law does not prohibit them from doing.

Mr. HARRISON. It appeared to me that way, but we have been told by many lawyers who appeared before the committee that business men fear that even getting together to confer with reference to hours of labor or wages might be held to be a violation of the antitrust law, I cannot understand how they get that idea, but it is true they have it, and if there can be some voluntary agreements entered into to carry out the plan, I think they ought to be permitted.

Mr. BORAH. In other words, if they get together and do anything in violation of the Sherman antitrust law, they may be proceeded against, notwithstanding anything in this resolution?

Mr. HARRISON. They will be punished by the Government, I hope.

Mr. BONE. Mr. President, has it been suggested to the committee that there would be a transgression of the antitrust laws of the country if business men should get together to eliminate child labor or adopt an agreement as to a minimum wage or maximum hours? Are those things deemed by anybody to be a violation of the antitrust laws?

Mr. HARRISON. I regret to say that a suggestion has been made to that effect. I see no force in the argument myself.

Mr. BONE. Is it possible the Sherman antitrust laws would be held to prohibit such a thing?

Mr. HARRISON. Business is pretty much frightened because of the very heavy penalty which might be inflicted.

Mr. BONE. I think it should be made plain to the country that if such a construction is to be given the Sherman Antitrust Law, then the act would prohibit business men themselves, by agreement, eliminating child labor. That is certainly a condition which I think 99 percent of the people of the country cannot contemplate with equanimity. I doubt if anybody believes that construction would be or should be given the law.

Mr. HARRISON. I am certain no Senator believes that construction should be placed on the law.

Mr. AUSTIN. Mr. President, before the request is put——

Mr. HARRISON. I have made no request.

Mr. AUSTIN. I understood the Senator from Kentucky [Mr. BARKLEY] had submitted a unanimous consent request that when we conclude our business today we should recess until 11: 30 o'clock in the morning. I inquire of the Senator from Mississippi [Mr. HARRISON] if he has conferred with the leader of the minority regarding a recess to that hour?

Mr. HARRISON. He not only agreed to it, but I think he made the suggestion.

Mr. AUSTIN. I have been informed that he is on his way here now from his office. I think it would be a courtesy to him to await his arrival.

Mr. HARRISON. I have just talked to him. The agreement is thoroughly in accord with his views. If he should raise any question about it I shall be glad to have the Senate undo what we may do under the agreement.

Mr. AUSTIN. Very well.

The PRESIDING OFFICER. Without objection the unanimous consent request of the Senator from Kentucky is granted, and the agreement is entered into.

Mr. McNARY subsequently said: Mr. President, I desire to call the attention of the Senate, and particularly the attention of the Senator from Kentucky [Mr. BARKLEY], to a matter that occurred a few moments ago regarding the unanimous-consent agreement to meet tomorrow at 11:30 a. m.

I have no objection to that order, provided the N. R. A. joint resolution can be disposed of by 12 o'clock; but should the hour of 12 o'clock arrive, and the joint resolution not have been disposed of, I should want it to remain undisposed of until we should have carried out the unanimous-consent agreement regarding the holding-company bill.

Mr. BARKLEY. Mr. President, I will say to the Senator from Oregon that it is not contemplated that the unanimous-consent agreement to meet at 11:30 a. m. will in any way interfere with the order previously entered with reference to the holding-company bill; and if the N. R. A. matter shall not be disposed of by 12 o'clock, it is contemplated that we shall take up the holding-company bill and go on with it according to the order heretofore entered.

Mr. McNARY. If that is the order of the Senate, it is perfectly agreeable to me. Inasmuch as we entered into an agreement that the time from 12 to 2 o'clock tomorrow should be devoted to the disposition of the amendments offered by the Senator from Illinois [Mr. DIETERICH], I do not wish to have the N. R. A. joint resolution absorb the time allotted for the discussion of those amendments.

Mr. BARKLEY. No; I will say to Senators who are interested in the amendments to the holding-company bill that it is not intended to have the time from 12 until 2 tomorrow consumed by the N. R. A. joint resolution. If it is necessary to modify the agreement to meet at 11: 30 by asking unanimous consent that it be ordered that at 12 o'clock, if the N. R. A. joint resolution shall not have been disposed of, we shall proceed with the holding-company bill, as previously ordered, I ask that that be done. I think that would happen, anyway.

Mr. McNARY. I hope that order will be made.

The PRESIDING OFFICER. Without objection, the order heretofore made will be so modified.

RELIEF OF CITY OF NEW YORK

The bill (S. 2689) for the relief of the city of New York was announced as next in order.

Mr. McKELLAR. Mr. President, what has the Senator from New York to say about that bill? It calls for a very large sum of money. I hope the Senator will let the bill go over.

Mr. COPELAND. Mr. President, since 1864 it has been the duty of the Senators from the State of New York to present this bill to the Senate, and it has been passed by the Senate four times.

In 1925, after I came to the Senate, I tried to secure the passage of the bill. My effort was resisted in the matter by the then Senator from Utah, Mr. Smoot, because the accounts had not been audited. In response to my appeal, the Senate adopted a resolution asking the Comptroller General, Mr. McCarl, to audit the accounts. They were found in perfect order. Then the bill came up in the Senate and was passed. It has been passed four times. It has been favorably reported three times in the House.

Mr. McKELLAR. There appears to be no report with the bill.

Mr. COPELAND. Oh, yes; there is a full report with the bill.

Mr. McKELLAR. Was it recommended by the War Department?

Mr. COPELAND. It was. Twelve States have had granted to them the same form of relief that we are asking. As I have said, the bill has passed the Senate four different times even since I have been in the Senate. I appeal to the Senator not to prevent its passage now.

Mr. KING. Mr. President, I ask the Senator from New York whether this bill is for interest upon the claim?

Mr. COPELAND. No; the item for interest was thrown out.

Mr. McKELLAR. Is this to repay a part of the principal that was loaned?

Mr. COPELAND. This is to repay the principal that was loaned. The Senator will find in the record the appeal from President Lincoln on May 16, 1861—a letter the orig-

inal of which I have seen—in which he begged that this money might be raised.

Mr. McKELLAR. Is not this part of a larger sum that has already been returned to the city of New York?

Mr. COPELAND. Not at all. Not a penny of this money has ever been returned. My original bill asked for interest; but the Comptroller General said interest should not be allowed, and that feature has been eliminated. The accounts have been carefully audited by the Comptroller General.

Mr. McKELLAR. Of course I cannot object to the consideration of the bill under the circumstances.

Mr. BURKE. Mr. President, I ask that the bill go over. I desire to study the matter.

Mr. COPELAND. Mr. President, I think the Senator from Nebraska will find the circumstances as I have stated them to be. President Lincoln made this appeal to New York. New York issued city bonds to raise troops, fully equipped, under the promise of the President that there would be a return of the money expended for that purpose.

Mr. BURKE. I should like particularly to know the reason why the bill has been unpaid for 74 years after the response was made.

Mr. COPELAND. Let me say that the reason why payment was objected to previously was always because there had been no audit. A question was raised as to the amount of money, and then to the payment of interest; but in 1925 a resolution was passed by the Senate providing for an audit, and an audit was made by the Comptroller General, and, as the record will show, all the accounts were found in perfect order in the office of the Comptroller of the City of New York; but the Comptroller General, in making his report upon the matter, said that the item of interest should not be included. The failure of passage in every instance prior to the time when the audit came in was due to the fact that the accounts had not been audited, and it seemed to be altogether too general an attack upon the Treasury.

Mr. BURKE. I should like to have an opportunity to examine the matter carefully.

Mr. COPELAND. Of course, I shall be very happy to let it go over for that purpose.

The PRESIDING OFFICER. The bill will be passed over.

BILLS PASSED OVER

The bill (H. R. 5917) to appoint an additional circuit judge for the ninth judicial district was announced as next in order.

Mr. McCARRAN. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1389) to amend section 7, title 1, of the Agricultural Adjustment Act was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

LEIF ERIKSON DAY

The joint resolution (H. J. Res. 26) requesting the President to proclaim October 9 as Leif Erikson Day was considered, ordered to a third reading, read the third time, and passed.

INSPECTION OF SMALL VESSELS

The bill (S. 2001) to amend section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4426 of the Revised Statutes of the United States, as amended by the act of Congress approved May 16, 1906, be, and the same is hereby, amended to read as follows:

"SEC. 4426. The hull and boilers of every ferryboat, canal boat, yacht, or other small craft of like character propelled by steam, shall be inspected under the provisions of this title. Such other provisions of law for the better security of life as may be applicable to such vessels shall, by the regulations of the board of supervising inspectors, also be required to be complied with before a certificate of inspection shall be granted, and no such vessel shall be navigated without a licensed engineer and a licensed pilot: *Provided, however,* That in open steam launches of 10 gross tons and under, one person, if duly qualified, may serve in the double capacity of pilot and engineer.

"That from and after 3 months after the date of the approval of this act, all towing vessels, and all vessels of above 15 gross tons propelled by machinery, the propulsion power of which is other than by steam, carrying freight or passengers for hire, shall be subject to all of the provisions of the laws relating to steam vessels, insofar as they may be applicable thereto."

SEC. 2. That all laws or parts of laws insofar as they are in conflict with this act are hereby repealed.

LIVING ACCOMMODATIONS ON SMALL VESSELS

The bill (S. 2010) to improve the living accommodations on vessels under 100 tons was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first two paragraphs of section 6 of the act of March 4, 1915, entitled "An act to promote the welfare of American seamen in the merchant marine of the United States; to abolish arrest and imprisonment as a penalty for desertion and to secure the abrogation of treaty provisions in relation thereto; and to promote safety at sea", be amended so as to read:

"SEC. 6. That section 2 of the act entitled 'An act to amend the laws relating to navigation', approved March 3, 1897, be, and is hereby, amended to read as follows:

"'SEC. 2. That on all merchant vessels of the United States, except yachts, pilot boats, or vessels of less than 100 tons register, every place appropriated to the crew of the vessel shall have a space of not less than 120 cubic feet and not less than 16 square feet, measured on the floor or deck of that place, for each seaman or apprentice lodged therein, and each seaman shall have a separate berth and not more than one berth shall be placed one above another; such place or lodging shall be securely constructed, properly lighted, drained, heated, and ventilated, properly protected from weather and sea, and, as far as practicable, properly shut off and protected from the effluvium of cargo or bilge water. And every such crew space shall be kept free from goods or stores not being the personal property of the crew occupying said place in use during the voyage. On all merchant vessels entitled by ownership and build to engage in the coastwise trade of the United States under 100 gross tons, whether or not documented, on which lodging and/or living accommodations are furnished, every place so appropriated to the crew shall have a space of not less than 112 cubic feet and not less than 16 square feet, measured on the floor or deck of that space for each seaman lodged therein, and each seaman shall have a separate berth and not more than one berth shall be placed one above another; such place or lodging shall be securely constructed, properly lighted, drained, heated, and ventilated, properly protected from weather and sea, and, so far as practicable, properly shut off and protected from the effluvium of cargo or bilge water.'"

SEC. 2. This act shall take effect 60 days from the date of approval thereof.

BILL PASSED OVER

The bill (H. R. 3462) to amend an act entitled "An act to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes, approved March 4, 1913", and for other purposes, was announced as next in order.

Mr. McKELLAR. May we have an explanation of that bill? [A pause.] If not, let it go over.

The PRESIDING OFFICER. The bill will be passed over.

PREVENTION OF KIDNAPING

The bill (S. 2421) to amend the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act forbidding the transportation of any person in interstate or foreign commerce, kidnaped, or otherwise unlawfully detained, and making such act a felony", as amended (48 Stat. 781; U. S. C., title 18, secs. 408a, 408b, and 408c, be, and it is hereby, amended by the addition of the following section:

"SEC. 4. Whoever receives, possesses, or disposes of any money or other property, or any portion thereof, which has at any time been delivered as ransom or reward in connection with a violation of section 1 of this act, knowing the same to be money or property which has been at any time delivered as such ransom or reward, shall be punished by a fine of not more than $10,000 or imprisonment in the penitentiary for not more than ten years, or both."

LANDS IN NOME, ALASKA

The Senate proceeded to consider the bill (S. 2779) to authorize the conveyance of certain lands in Nome, Alaska, which had been reported from the Committee on Territories

and Insular Affairs with an amendment, to add at the end of the bill the following new section:

SEC. 2. The transfer of this property and its use for the purposes mentioned shall be without expense to the United States of America.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MISSISSIPPI CHOCTAW INDIANS

The Senate proceeded to consider the bill (S. 2715) conferring jurisdiction on the Court of Claims to hear and determine the claims of the Choctaw Indians of the State of Mississippi, which was read, as follows:

Be it enacted, etc., That the Court of Claims be, and it is hereby, authorized and directed to hear and determine all claims against the United States of the Choctaw Indians of the State of Mississippi based upon the provisions of any treaty or agreement with or statute of the United States, or upon the failure of the United States to recognize or provide for the settlement of any interest vested or contingent of the aforesaid Choctaw Indians in administering or liquidating the assets or property of the Choctaw Nation and allotting in severalty the lands of said nation and distributing its property to the individual citizens of said nation enrolled on its final approved citizenship rolls.

SEC. 2. That for the purposes of the action to be brought in said Court of Claims under the provisions of this act, the said Indians are hereby recognized as having the status of a separate band with authority in their representatives to employ counsel and to execute and file a petition or petitions setting forth their claims, and to prosecute said suit or suits to a final determination: *Provided, however*, That any question which may arise, or objection which may be made, as to the representative character of the organization so acting on behalf of said Choctaw Indians of the State of Mississippi, shall be heard and adjudicated by the said Court of Claims in the suit or suits hereby authorized to be brought.

SEC. 3. That any petition or petitions filed in the said Court of Claims under the provisions of this act shall be submitted to said court within 2 years from the date of this act, and said cause or causes shall thereupon be proceeded with in accordance with the law and practice of said court, and any claims not so presented within the said period of 2 years shall be thereafter forever barred: *Provided, however*, That should the Court of Claims find that a petition so presented within said time is not presented by persons fairly representative of the said Indians, said court shall have the authority to permit amendments thereafter bringing proper parties before the court.

SEC. 4. That the hearing and adjudication of said claims shall be governed by equitable principles and shall fairly and finally determine the merits of the claims of said Indians and the obligations of the United States to them in administering the affairs of Indians subject to the guardianship and authority of the United States, in accordance with the customary action and precedents in the conduct of the estates of incompetent Indians, if the court shall find that said Mississippi Choctaw Indians were in fact as a group incompetent to manage their own affairs.

SEC. 5. That the amount of any judgment rendered in said cause when appropriated shall be set aside as a special fund to be paid or disbursed only upon such terms and conditions as Congress may by its subsequent legislation direct: *Provided, however*, That in entering its final judgment in said cause the Court of Claims shall hear and determine the amount of attorneys' fees not to exceed 10 percent of the amount of any final award, which on a quantum meruit basis it shall find to be a reasonable compensation for the services and expenses of the representatives of said Indians in prosecuting their claims before Congress and the Bureau of Indian Affairs, and before said court in the suit authorized by the provisions of this act, and shall as a part of said judgment award so much thereof as may be necessary to pay said compensation and reimbursement upon the basis herein directed to such person or persons as the said court may find entitled thereto.

SEC. 6. That said court shall have further jurisdiction to hear and determine any counterclaims or counterdemands on the part of the United States against the said Choctaw Indians of Mississippi upon the said basis of equity and justice as directed in respect to the adjudication of all matters under the authority of this act.

SEC. 7. That either party aggrieved by any final decision of the said Court of Claims in said cause shall have the right to appeal such final decision to the Supreme Court of the United States, as provided by law in respect to appeals from the Court of Claims to said Supreme Court: *Provided*, That the question of the validity of the claim or claims of said Choctaw Indians against the United States, or any counterclaims or demands of the United States against said Indians, the appellate jurisdiction of said Supreme Court of the United States is hereby expressly extended to the hearing and determination of an appeal by or on behalf of said Choctaw Indians or the United States.

SEC. 8. That for the purpose of this act the term "Choctaws of the State of Mississippi" shall include only those persons who on July 1, 1902, were residents in the States of Mississippi, Alabama, and Louisiana, having not less than one-eighth Choctaw Indian blood, and their descendants, and such persons as were thereafter identified on any approved roll of Mississippi Choctaws and their descendants, and shall not include any persons who were enrolled on the final citizenship rolls of the Choctaw Nation in Oklahoma.

Mr. KING. Let the bill go over.

Mr. CONNALLY. Mr. President, do I understand that there was an objection to the consideration of Senate bill 2715?

The PRESIDING OFFICER. There was.

Mr. KING. I objected upon the ground that I have not had time to read the report of the acting Secretary of the Interior, which is adverse.

Mr. CONNALLY. The committee has had the matter up at a number of sessions, and reported favorably on the bill, and the Commissioner of Indian Affairs expressed no objection to the bill.

Mr. KING. There are two recommendations by the Secretary. I have no knowledge of the matter. I shall be glad to examine into it.

Mr. CONNALLY. The Senator from Oklahoma (Mr. THOMAS] is the chairman of the committee.

Mr. THOMAS of Oklahoma. Mr. President, this particular bill has been before the committee for some time. These particular Indians in the past have had no one to speak for them. During the present Congress the Senator from Texas [Mr. CONNALLY] introduced a bill which received the consideration of the committee, and during the consideration the Commissioner of Indian Affairs was present.

Because these Indians are scattered, and because they are not officially recognized except in a partial way, they have not had their claims urged and presented before the Congress; but it is the position of the Indian Affairs Committee that their claims, of whatever nature, should be recognized, and the Indians having the claims should be permitted to go into some court where the claims may be presented. It is only a question of time until this bill or some similar bill will be passed, and the position of the committee is that the sooner it is done the better, to the end that justice may be served.

Because the claim will never die the committee took the position that it should be recognized now and these Indians given permission to go into the Court of Claims, while there are still some Indians alive who might be able to testify.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. It appears that there has been some judicial procedure with respect to this claim, and the report of Mr. Walters, the Acting Secretary of the Interior, is to the effect that the measure ought not to be passed. He refers to the fact that there was a quasi-judicial tribunal whose judgment within the limits of its jurisdiction was subject to attack only for fraud, and so on, and as I understand from the statement, there was a judicial determination of a court.

Mr. THOMAS of Oklahoma. The reason for their opposition to the claim is that they think there is no valid claim existing, but the Indians are not satisfied, and in order that the matter may be settled, and the Indians may be given their day in court, the committee thought it wise to report the bill and have some court of competent jurisdiction pass upon the question whether or not they have a claim.

Mr. CONNALLY. Mr. President, is it not true that during the consideration of the bill the Commissioner of Indian Affairs appeared before the committee and expressed himself as not being opposed to the measure?

Mr. THOMAS of Oklahoma. He did appear, and the only objection is that the Bureau does not think there is any valid claim; but the only way to settle the matter is to let the Indians go before the court and show whether there is or not.

Mr. CONNALLY. The Commissioner said he was very hopeful something could be done for the relief of the Indians.

Mr. THOMAS of Oklahoma. I think that statement is accurate.

Mr. McKELLAR. There could be no harm in letting the case go to the Court of Claims.

Mr. THOMAS of Oklahoma. That is the position the committee took.

Mr. KING. My objection was based wholly upon the recommendation of the Secretary of the Interior. I have no objection.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NANCY JORDAN

The Senate proceeded to consider the bill (S. 2406) for the relief of Nancy Jordan, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Nancy Jordan, formerly Nancy Azure, the sum of $1,000 in full satisfaction of all claims of the said Nancy Jordan against the United States for damages for injuries to her arm and operations thereon by Government physicians while she was a student at the Chilocco Indian School of Oklahoma.

Mr. McKELLAR. Mr. President, will the Senator from Oklahoma explain this matter? This is different from the bill just passed. This lady had never made a claim, and the Department recommends that the bill be not passed.

Mr. THOMAS of Oklahoma. Mr. President, this is a personal injury case, and the record shows that no claim was presented. The record further shows, however, that there are no records now to which they can refer. The records have been either misplaced or filed and cannot be found.

The Bureau of Indian Affairs finds that an injury was done this Indian woman, and the reason why she did not present her claim was that she did not know that she was entitled to present a claim. Because of the nature of the injury and the fact that the claimant suffered, the committee is of the opinion that she should be remunerated in a very small sum.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HASKELL INSTITUTE STADIUM

The Senate proceeded to consider the bill (S. 2545) to provide funds for acquisition of the property of the Haskell Students Activities Association on behalf of the Indian school known as "Haskell Institute", Lawrence, Kans., which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $30,500 to be expended under the direction of the Secretary of the Interior for the purpose of meeting indebtedness of the Haskell Students Activities Association, and acquiring title to the property of this association for use of the Government Indian school known as "Haskell Institute", located at Lawrence, Kans.: *Provided*, That funds hereby authorized for this purpose may be used to pay off any outstanding mortgages, liens, judgments, or other valid indebtedness against the above-mentioned association: *And provided further*, That upon payment of all outstanding obligations against the Haskell Students Activities Association, not to exceed in all $30,500, the title to all property belonging to the said association shall be transferred to the United States, and upon such transfer such property shall become a part of the Government Indian school known as "Haskell Institute", Lawrence, Kans.

Mr. McKELLAR. Mr. President, we will have to have an explanation of this bill.

Mr. CAPPER. Mr. President, the bill was prepared by the Commissioner of Indian Affairs, and its enactment is very much desired by the Indian Bureau. Commissioner Collier appeared personally before the committee and urged enactment of the bill, and the Secretary of the Interior strongly urges it.

Mr. McKELLAR. He states that it is not in accordance with the Budget Director's program.

Mr. CAPPER. I am certain that the Bureau of the Budget was not informed of the facts, or they would not have made such a recommendation. The Secretary of the Interior himself and the Commissioner of Indian Affairs very strongly urge the passage of the measure.

Mr. McKELLAR. Does the bill have reference to an Indian reservation?

Mr. CAPPER. It has to do with the Haskell Institute. The appropriation would be $30,500, and the Government would acquire property valued at $200,000.

Mr. McKELLAR. It is dedicated to the use of the Indians?

Mr. CAPPER. Yes.

Mr. THOMAS of Oklahoma. Mr. President, if the Senator from Tennessee will yield, the object of the measure is to enable the Government to take over a stadium at the Haskell Institute. Years ago, the Government being unable to provide a stadium, an organization was formed locally, and a stadium was constructed. Since that time the Indian school has tried to make the stadium a success, but through lack of patronage or lack of efficient management the stadium organization has never been able to make a success financially. For that reason there are claims against the stadium to the extent of the amount carried in the bill. The purpose of the bill is to pay the claims and have the Government take over the property, and then it will become the property of the United States Government. It appears from the testimony in the record that the property is worth much more than the claims against the Institute.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TLINGIT AND HAIDA INDIANS OF ALASKA

The Senate proceeded to consider the bill (H. R. 2756) authorizing the Tlingit and Haida Indians of Alaska to bring suit in the United States Court of Claims, and conferring jurisdiction upon said court to hear, examine, adjudicate, and enter judgment upon any and all claims which said Indians may have, or claim to have, against the United States, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments, in section 2, page 2, line 12, after the word "Indians", to insert the words "or for the failure or refusal of the United States to protect their interests in lands or other tribal or community property in Alaska, and for the loss of use of the same"; in line 22, after the word "therefor", to insert the words "and the loss to said Indians of their right, title, or interest, arising from occupancy and use, in lands or other tribal or community property, without compensation therefor, shall be held sufficient ground for relief hereunder"; and in section 3, on page 4, line 4, after the word "Indians", to strike out the word "which" and to insert the words "under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior, and said contract shall be executed in behalf of said Indians by a committee chosen by them under the direction and approval of the Commissioner of Indian Affairs, and the Secretary of the Interior", so as to read:

Be it enacted, etc., That for the purposes of this act the Tlingit and Haida Indians of Alaska shall be defined to be all those Indians of the whole or mixed blood of the Tlingit and Haida Tribes who are residing in Russian America, now called the Territory of Alaska, in the region known and described as "southeastern Alaska", lying east of the one hundred and forty-first meridian.

SEC. 2. All claims of whatever nature, legal or equitable, which the said Tlingit and Haida Indians of Alaska may have, or claim to have, against the United States, for lands or other tribal or community property rights, taken from them by the United States without compensation therefor, or for the failure or refusal of the United States to compensate them for said lands or other tribal or community property rights, claimed to be owned by said Indians, and which the United States appropriated to its own uses and purposes without the consent of said Indians, or for the failure or refusal of the United States to protect their interests in lands or other tribal or community property in Alaska, and for loss of use of the same, at the time of the purchase of the said Russian America, now Alaska, from Russia, or at any time since that date and prior to the passage and approval of this act, shall be submitted to the said Court of Claims by said Tlingit and Haida Indians of Alaska for the settlement and determination of the equitable and just value thereof, and the amount equitably and justly due to said Indians from the United States therefor; and the loss to said Indians of their right, title, or interest arising from occupancy and use, in lands or other tribal or community

property, without just compensation therefor, shall be held sufficient ground for relief hereunder; and jurisdiction is hereby conferred upon said court to hear such claims and to render judgment and decree thereon for such sum as said court shall find to be equitable and just for the reasonable value of their said property, if any was so taken by the United States without the consent of the said Indians and without compensation therefor; that from the decision of the Court of Claims in any suit or suits prosecuted under the authority of this act an appeal may be taken by either party, as in other cases, to the Supreme Court of the United States.

SEC. 3. That the claim or claims of said Tlingit and Haida Indians of Alaska may be presented and prosecuted separately or jointly in one or more suits, by petition or petitions setting out the facts upon which they base their demands for relief and judgment or decree; the petition or petitions may be amended when necessary more fully or specifically to set forth their said claim or claims, and said suit or suits shall be filed in said Court of Claims within 7 years after the date of the passage of this act; such suit or suits shall make the said Indians parties plaintiff and the United States party defendant, and the final judgment or decree shall conclude and forever settle the claim or claims so presented; the Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit or suits any and all parties deemed by it necessary or proper to the final determination of the matters in controversy; such petition or petitions may be verified by any attorney or attorneys employed by said Indians, under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior, and said contract shall be executed in behalf of said Indians by a committee chosen by them under the direction and approval of the Commissioner of Indian Affairs and the Secretary of the Interior; verification may be upon information and belief as to the facts alleged; a true copy of the written contract or contracts by which such attorney or attorneys are employed by said Indians to represent them in such suit or suits shall be filed in said Court of Claims, as their authority, by the said attorney or attorneys to so appear in said suit or suits for said Indians and to prosecute their said claim or claims in said Court of Claims.

SEC. 4. That if any claim or claims shall be submitted to said court it shall hear and settle the equitable and just rights therein, notwithstanding lapse of time, or statutes of limitations, or the fact that the said claim or claims have not been presented to any other tribunal, or the fact that said Tlingit and Haida Indians of Alaska may have been made citizens of the United States by the act of Congress of June 2, 1924 (43 Stat. L. 253), or by any other law of the United States, or the fact that the said Indians, or any of them, collectively, prior to the passage and approval of this act, may have severed their tribal relations with the said Tlingit and Haida Tribes. Any payment which may have been made by the United States or moneys heretofore or hereafter expended to date of award for the benefit of the said Tlingit and Haida Indians of Alaska, made under specific appropriations for the support, education, health, and civilization of said Indians, including purchase of lands, shall not be pleaded as an estoppel but may be pleaded by way of set-off.

SEC. 5. Official letters, papers, documents, and public records, or certified copies thereof, from the files and records of the United States, or the Territory of Alaska, and Russian documents and similar records, and historical data and books prepared by American or other standard historians or authors, relating to the subject matter in controversy in said suit or suits, may be used in evidence by either party, and the departments of the United States Government shall give the attorneys for both parties access to such papers, correspondence, and documents as are in the files.

SEC. 6. The Court of Claims shall appoint at the proper time a commissioner or commissioners under the provisions of the act of February 24, 1925 (43 Stat. L. 964), and acts supplemental thereto, who shall have the aid of a stenographer to take the testimony to be used in the investigation of such claims. In addition to the present powers of such commissioner to take such testimony, he is hereby authorized to take the testimony of said Alaska Indians and their witnesses at such place or places in Alaska as are most convenient for said Indians and their witnesses; that the said Alaska Indians shall produce their witnesses in Alaska at such times and places as said commissioner shall direct, at their own expense, but the expenses of said commissioner and stenographer shall be paid by the United States out of the funds provided for such purposes in the said act of February 24, 1925, and said supplemental acts.

SEC. 7. That Tlingit and Haida Indians of Alaska who are entitled to share in any judgment or appropriation made to pay said claim or claims shall consist of all persons of Tlingit or Haida blood, living in or belonging to any local community of these tribes in the territory described in section 1 of this act. Each tribal community shall prepare a roll of its tribal membership, which roll shall be submitted to a Tlingit and Haida central council for its approval. The said central council shall prepare a combined roll of all communities and submit it to the Secretary of the Interior for approval. Approval of the roll by the said Secretary of the Interior shall operate as final proof of the right of such Indian communities to share in the benefits of this act as set forth in section 8.

SEC. 8. The amount of any judgment in favor of said Tlingit and Haida Indians of Alaska, after payment of attorneys' fees, shall be apportioned to the different Tlingit and Haida communities listed in the roll provided for in section 7 in direct proportion to the number of names on each roll, and shall become an asset thereof, and shall be deposited in the Treasury of the United States to the credit of each community, and such funds shall bear interest at the rate of 4 percent per annum, and shall be expended from time to time upon requisition by the said communities by and with advice and consent of the Secretary of the Interior, and under regulations as he may prescribe, for the future economic security and stability of said Indian groups, through the acquisition or creation of productive economic instruments and resources of public benefit to such Indian communities: *Provided, however,* That the interest on such funds may be used for beneficial purposes such as the relief of distress, emergency relief and health: *Provided further,* That none of the funds above indicated or the interest thereon shall ever be used for per capita payments.

SEC. 9. That upon the final determination of any suit or suits instituted under this act, if there is judgment for the plaintiff Indians, the Court of Claims shall inquire into the agreement or contract which said Indians have made with their attorneys for compensation for their services in said suit or suits, and if said Court of Claims shall find that such services have been faithfully performed by said attorneys, it shall make a finding to that effect and adjudge that said attorneys' compensation shall be paid as agreed upon in said contract out of the appropriation made for the payment of the sum found due to said Indians, but in no case to exceed 10 percent of the amount of the total recovery, and said sum so found to be due to said attorneys shall be paid in full out of the sums so found due to said Indians and the remainder of said total sum due to said Indians shall be expended as provided in section 8 of this act.

SEC. 10. A copy of the petition and other pleadings and briefs in said suit or suits brought under this act shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case or cases.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

GEOLOGICAL SURVEYS IN PUERTO RICO

The joint resolution (H. J. Res. 27) providing for extension of cooperative work of the Geological Survey to Puerto Rico was considered, ordered to a third reading, read the third time, and passed.

ALIEN PARTICIPANTS IN NATIONAL BOY SCOUT JAMBOREE

The joint resolution (H. J. Res. 285) to permit the temporary entry into the United States under certain conditions of alien participants and officials of the National Boy Scout Jamboree to be held in the United States in 1935 was considered, ordered to a third reading, read the third time, and passed.

FEDERAL BUILDING, DALLAS, TEX.

The Senate proceeded to consider the bill (S. 2780) to repeal the limitation on the sale price of the Federal building at Maine and Ervay Streets, Dallas, Tex., which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the proviso in the fifteenth paragraph under the caption "Projects outside the District of Columbia under section 5, Public Buildings Act approved May 25, 1926", of title 1 of the act entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1929, and for other purposes", approved March 5, 1928, relating to the minimum price for which the Federal building and site at Main and Ervay Streets, Dallas, Tex., may be sold, is hereby repealed.

SALE OF FEDERAL BUILDINGS

The Senate proceeded to consider the bill (S. 2626) to authorize the sale of Federal buildings, which had been reported from the Committee on Public Buildings and Grounds with amendments, on page 1, line 6, after the word "which", to insert the words "the Secretary of the Treasury has determined"; on line 7, after the word "need", to strike out the words "the Secretary of the Treasury" and to insert in lieu thereof the word "he"; on line 11, after the word "constituted", to strike out the words "civil divisions" and to insert in lieu thereof the words "political subdivision"; on page 2, line 1, to insert the words "pursuant to such rules and regulations promulgated by him"; on line 4, after the word "price", to strike out the words "at the best terms available, which shall in no case be less than 50 percent of the appraised value of the land" and to insert in lieu thereof the words "in such installments as he deems fair

and reasonable"; on line 9 to insert a proviso as follows: "*Provided*, That the total purchase price shall in no case be less than 50 percent of the appraised value of the land", so as to make the bill read:

Be it enacted, etc., That in order to suitably dispose of certain Federal buildings and the sites thereof under the control of the Treasury Department, which have been supplemented by new structures, and for which the Secretary of the Treasury has determined there is no further Federal need, he is hereby authorized, in his discretion, if he deems it to be in the best interests of the Government, to sell such buildings and sites or parts of sites to States, counties, municipalities, or other duly constituted political subdivisions of States for public use upon such terms, pursuant to such rules and regulations promulgated by him, as he deems proper, and to convey the same by the usual quitclaim deed, and he may enter into long-term contracts for the payment of the purchase price in such installments as he deems fair and reasonable and may furthermore waive any requirements for interest charges on deferred payments: *Provided*, That the total purchase price shall in no case be less than 50 percent of the appraised value of the land: *Provided further*, That the proceeds of the sales shall be deposited in the Treasury as miscellaneous receipts: *Provided further*, That in the event portions of any Federal building sites under the control of the Treasury Department are desired by municipalities by reason of any duly authorized, comprehensive street-widening program, the Secretary of the Treasury may deed to such municipalities, without cost, such areas needed for street uses as may be dedicated without jeopardy to the Federal interest.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DEVELOPMENT OF AGRICULTURAL EXTENSION WORK

The Senate proceeded to consider the bill (H. R. 7160) to provide for research into basic laws and principles relating to agriculture and to provide for the further development of cooperative agricultural extension work and the more complete endowment and support of land-grant colleges, which had been reported from the Committee on Agriculture and Forestry with amendments.

The first amendment was in section 6, page 5, line 13, to strike out the word "Alaska" before the word "Hawaii" and after the word "Hawaii" to strike out the words "and Puerto Rico"; so as to to make the section read:

SEC. 6. As used in this title the term "Territory" means Hawaii.

The amendment was agreed to.

The next amendment was in section 21, page 6, line 21, to strike out the words "the allotments" and to insert in lieu thereof "$980,000 shall be paid"; on line 22, after the word "Hawaii" to strike out the words, "shall be" and to insert in lieu thereof the words "in equal shares; (2) the remainder shall be paid to the several States and the Territory of Hawaii"; on page 7, line 1, after the word "and" to insert the words "the Territory of"; on line 3, to strike out "(2)" and insert in lieu thereof "(3)"; on line 3, after the words "States and" to insert the words "the Territory of"; on line 10, after the word "or" to insert the words "the Territory of"; on line 12 after the word "or" to insert the words "the Territory of"; on line 13, after the word "or" to insert the words "the Territory of"; so as to make the section read:

TITLE II

SEC. 21. In order to further develop the cooperative extension system as inaugurated under the act entitled "An act to provide for cooperative agricultural extension work between the agricultural colleges in the several States receiving the benefits of the act of Congress approved July 2, 1862, and all acts supplementary thereto, and the United States Department of Agriculture", approved May 8, 1914 (U. S. C., title 7, secs. 341–348), there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of paying the expenses of cooperative extension work in agriculture and home economics and the necessary printing and distribution of information in connection with the same, the sum of $8,000,000 for the fiscal year beginning after the date of the enactment of this title, and for the fiscal year following the first fiscal year for which an appropriation is made in pursuance of the foregoing authorization the additional sum of $1,000,000, and for each succeeding fiscal year thereafter an additional sum of $1,000,000 until the total appropriations authorized by this section shall amount to $12,000,000 annually, the authorization to continue in that amount for each succeeding fiscal year. The sums appropriated in pursuance of this section shall be paid to the several States and the Territory of Hawaii in the same manner and subject to the same conditions and limitations as the additional sums appropriated under the act of May 8, 1914, except that (1) $980,000 shall be paid to the several States and the Territory of Hawaii in equal shares; (2) the remainder shall be paid to the several States and the Territory of Hawaii in the proportion that the farm population of each bears to the total farm population of the several States and the Territory of Hawaii, as determined by the last preceding decennial census, and (3) the several States and the Territory of Hawaii shall not be required to offset the allotments authorized in this section. The sums appropriated pursuant to this section shall be in addition to, and not in substitution for, sums appropriated under such act of May 8, 1914, as amended and supplemented, or sums otherwise appropriated for agricultural extension work. Allotments to any State or the Territory of Hawaii for any fiscal year from the appropriations herein authorized shall be available for payment to such State or the Territory of Hawaii only if such State or the Territory of Hawaii complies, for such fiscal year, with the provisions with reference to offset of appropriations (other than appropriations under this section) for agricultural extension work.

The amendment was agreed to.

The next amendment was in section 22, page 7, line 19, before the word "entitled" to insert the words "and the Territory of Hawaii"; on page 8, line 4, after the word "this" to insert the word "act"; on line 5, to strike out "$960,000" and to insert in lieu thereof "$980,000"; on line 13, after the word "States" to insert the words "and the Territory of Hawaii"; on line 17, after the word "States" to insert the words "and the Territory of Hawaii"; on line 19, after the word "State" to insert the words "and the Territory of Hawaii"; on line 20, after the word "States" to insert the words "and the Territory of Hawaii", so as to make the section read:

SEC. 22. In order to provide for the more complete endowment and support of the colleges in the several States and the Territory of Hawaii entitled to the benefits of the act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts", approved July 2, 1862, as amended and supplemented (U. S. C., title 7, secs. 301–328; Supp. VII, sec. 304), there are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, the following amounts:

(a) For the fiscal year beginning after the date of the enactment of this act, and for each fiscal year thereafter, $980,000; and

(b) For the fiscal year following the first fiscal year for which an appropriation is made in pursuance of paragraph (a) $500,000, and for each of the 2 fiscal years thereafter $500,000 more than the amount authorized to be appropriated for the preceding fiscal year, and for each fiscal year thereafter $1,500,000. The sums appropriated in pursuance of paragraph (a) shall be paid annually to the several States and the Territory of Hawaii in equal shares. The sums appropriated in pursuance of paragraph (b) shall be in addition to sums appropriated in pursuance of paragraph (a) and shall be allotted and paid annually to each of the several States and the Territory of Hawaii in the proportion which the total population of each such State and the Territory of Hawaii bears to the total population of all the States and the Territory of Hawaii, as determined by the last preceding decennial census. Sums appropriated in pursuance of this section shall be in addition to sums appropriated or authorized under such act of July 2, 1862, as amended and supplemented, and shall be applied only for the purposes of the colleges defined in such act, as amended and supplemented. The provisions of law applicable to the use and payment of sums under the act entitled "An act to apply a portion of the proceeds of the public lands to the more complete endowment and support of the colleges for the benefit of agriculture and the mechanic arts established under the provisions of an act of Congress approved July 2, 1862", approved August 30, 1890, as amended and supplemented, shall apply to the use and payment of sums appropriated in pursuance of this section.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time, and the bill was read the third time, and passed.

RELIEF OF RETIRED OFFICERS OF THE NAVY AND MARINE CORPS

The Senate proceeded to consider the bill (S. 2774) for the relief of certain officers on the retired list of the Navy and Marine Corps who have been commended for their performance of duty in actual combat with the enemy during the World War, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 7, after the word "War", to insert the words "by the head of the executive department under whose jurisdiction such duty was performed", so as to make the bill read:

Be it enacted, etc., That all officers of the Navy and Marine Corps who have been retired or who may hereafter be retired for physical disability and who have been commended for their performance of duty in actual combat with the enemy during the World War by the head of the executive department under whose juris-

diction such duty was performed shall be placed upon the retired list with the rank of the next higher grade: *Provided*, That such promotion shall not carry with it any increase of pay.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CAPT. RUSSELL WILLSON

The bill (H. R. 5564) for the relief of Capt. Russell Willson, United States Navy, was considered, ordered to a third reading, read the third time, and passed.

BEQUEST OF PAUL E. M'DONNOLD

The bill (S. 2846) authorizing the Secretary of the Navy to accept on behalf of the United States the devise and bequest of real and personal property of the late Paul E. McDonnold, passed assistant surgeon, with the rank of lieutenant commander, Medical Corps, United States Navy, retired, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to accept on behalf of the United States the devise and bequest of the real and personal property, provided in the will of the late Paul E. McDonnold, passed assistant surgeon with the rank of lieutenant commander, Medical Corps, United States Navy, retired, or the proceeds from the sale thereof, for the benefit of the hospital fund, United States Navy.

SEC. 2. The funds accruing from the sale of property and the moneys authorized to be accepted by section 1 of this act shall be deposited into the Treasury to the credit of the trust fund account "Naval hospital fund (7 s 815)", subject to the provisions of the act of June 26, 1934 (48 Stat. 1224, ch. 756).

CLAIMS OF INDIANS OF OREGON

The Senate proceeded to consider the bill (S. 2761) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, which had been reported from the Committee on Indian Affairs with an amendment, on page 3, line 8, after the word "Indians", to insert the words "but no expenditures for the benefit of these Indians made out of appropriations authorized by the act of June 18, 1934 (48 Stat. L. 984), shall be considered as offsets", so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims with the right of appeal to the Supreme Court of the United States by either party, as in other cases, to hear, examine, adjudicate, and render final judgment (a) in any and all legal and equitable claims, arising under or growing out of any treaty, agreement, act of Congress, or Executive order, or for the failure of the United States to pay any money or other property due, which those Indian tribes or bands, or portions thereof, and their descendants, described in the ratified treaties of September 10, 1853 (10 Stat. 1018), September 19, 1853 (10 Stat. 1027), November 18, 1854 (10 Stat. 1122), November 25, 1854 (10 Stat. 1125), January 22, 1855 (10 Stat. 1143), and December 21, 1855 (12 Stat. 981), may have against the United States; and (b) any and all legal and equitable claims arising under or growing out of the original Indian title, claim, or rights in, to, or upon the whole or any part of the lands and their appurtenances occupied by the Indian tribes and bands described in the unratified treaties published in Senate Executive Document No. 25, Fifty-third Congress, first session (pp. 8–15), at and long prior to the dates thereof, except the Coos Bay, Lower Umpqua, and Siuslaw Tribes, it being the intention of this act to include all the Indian tribes or bands and their descendants, with the exceptions named, residing in the then Territory of Oregon west of the Cascade Range at and long prior to the dates of the said unratified treaties, some of whom, in 1855, or later, were removed by the military authorities of the United States to the Coast Range, the Grande Ronde, and the Siletz Reservations in said Territory.

SEC. 2. That if any claim or claims be submitted to said courts hereunder they shall settle the rights therein, both legal and equitable, of each and all the parties thereto, notwithstanding the lapse of time or the statutes of limitation; and any payment which may have been made under any claim or agreement shall not operate as an estoppel but may be placed as a set-off, and the United States shall be allowed to plead, and shall receive credit for all sums, including gratuities, paid to or expended for the benefit of the respective tribes or bands of Indians, but no expenditures for the benefit of these Indians made out of appropriations authorized by the act of June 18, 1934 (48 Stat. L. 984), shall be considered as offsets. The claim or claims of each tribe or band may be presented separately or jointly by petition, subject, however, to amendment and consolidation in proper cases. Such action or actions shall make the petitioner or petitioners party plaintiff or plaintiffs and the United States party defendant; and any nation, tribe, or band the court may deem necessary to a final determination of such suit or suits may be joined therein by order of the court.

The petition shall set forth all the facts upon which the claims are based and shall be signed and verified by the attorney or attorneys employed to prosecute such claim or claims and who are under contract with said Indians approved in accordance with existing law. Any and all claims against the United States within the purview of this act shall be forever barred unless suit be instituted or petition filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act.

Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall allow the attorney or attorneys access to such treaties, papers, correspondence, or records as may be needed by said attorney or attorneys.

SEC. 3. That upon the final determination of such suit, or suits, the Court of Claims shall decree such fees not exceeding 10 percent of the amounts recovered as it shall find reasonable to be paid the attorney or attorneys employed therein by said Indians or bands of Indians, under contracts negotiated and approved as provided by existing law, together with all necessary and proper expenditures incurred in the preparation and prosecution of the suit or suits.

SEC. 4. The proceeds of all amounts, if any, recovered for said Indians, less attorneys' fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the original judgment or decree and thereafter shall be subject to appropriation by Congress.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CITIZENSHIP STATUS OF CERTAIN ALIEN SEAMEN

The Senate proceeded to consider the bill (H. R. 67) to repeal certain laws providing that certain aliens who have filed declarations of intention to become citizens of the United States shall be considered citizens for the purposes of service and protection on American vessels, which was read, as follows:

Be it enacted, etc., That subdivision "Eighth" of section 4 of the act of June 29, 1906, entitled "An act to establish a Bureau of Immigration and Naturalization and to provide a uniform rule for the naturalization of aliens throughout the United States", as amended by section 1 of the act entitled "An act to amend the naturalization laws and to repeal certain sections of the Revised Statutes of the United States and other laws relating to naturalization, and for other purposes, approved May 9, 1918 (U. S. C., title 8, section 376), is hereby repealed.

SEC. 2. This act shall take effect 90 days after its enactment.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill? If not, let it go over.

Mr. SCHWELLENBACH. Mr. President, this is a bill to repeal certain provisions in the law which had permitted aliens who had filed an intention of becoming citizens to serve on ships operating in ports of the United States. Prior to the war only citizens were entitled to occupy such positions. Purely as a war-time measure, because of the shortage of personnel, the law was amended to permit those who had filed their declarations to serve. That went along for years, but in the present condition of unemployment it is desirable to have the emergency war-time provision repealed.

The PRESIDING OFFICER. The question is on third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2664) to aid in defraying the expenses of the Third Triennial Meeting of the Associated Country Women of the World, to be held in this country in June 1936, was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

ANDREW J. M'CALLEN

The bill (S. 1613) for the relief of Andrew J. McCallen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons honorably discharged from the United States Army, Andrew J. McCallen shall be held and considered to have been honorably discharged on October 12, 1918, as a captain, Three Hundred and Sixty-third Regiment United States Infantry: *Provided*, That

no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued by reason of this act prior to its passage.

BILL PASSED OVER

The bill (H. R. 2566) for the relief of Percy C. Wright was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF NATIONAL DEFENSE ACT OF JUNE 3, 1916

The bill (H. R. 5720) to amend the National Defense Act of June 3, 1916, as amended, was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. SCHWELLENBACH. Mr. President, that bill is identical with Senate bill 2710, which is an amendment of the National Defense Act of June 3, 1916, with reference to the National Guard. There are seven provisions.

The first of the seven sections simply gives to the President the right to call into the Reserve the individual officers of the National Guard. The present law reads that he may call units and their officers. The Comptroller General has ruled that that meant that the units themselves had to be called in, which made it impossible for National Guard officers to serve with the Reserve Corps.

The second provision simply increases the number of junior officers in order to make it possible that the most capable young men may be retained as commissioned officers.

Section 3 simply gives to the officers of the National Guard the right to administer oaths.

Section 4 creates an inactive Reserve, and enables the National Guard to have some connection with those officers who do not wish to remain as active officers.

Section 5 is simply a correction of the law of 2 years ago, doing what it was intended to do in the way this amendment provides.

Section 6 provides for pooling the various machinery and the equipment of the guard units within the States, allowing one caretaker to take care of the equipment of a number of units.

Mr. KING. May I ask the Senator whether the bill has the approval of the War Department?

Mr. SCHWELLENBACH. The attitude of the War Department is that of not objecting to it. The National Guard Act was passed 2 years ago, and the War Department in their letter to the committee said they had no objection to the bill. They, however, did not feel that the law should be amended so soon. They thought more time should be taken, and more experience should be had by the National Guard before it attempted to modify the law. However, the National Guard officers and the National Guard Association made a very strong appeal, stating that with the year and a half of experience which they have had with the law they are in favor of this bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 5720) to amend the National Defense Act of June 3, 1916, as amended, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, the identical Senate bill, S. 2710, will be indefinitely postponed.

FRED LUSCHER

The Senate proceeded to consider the bill (S. 540) for the relief of Fred Luscher, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "$312.50" and insert "$227.50", and to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Fred Luscher of Bridal Veil, Oreg., the sum of $227.50, in full satisfaction of his claim against the United States for damages resulting from the loss of cattle that died in September 1932, from eating wood preservative applied to poles installed by the Department of Commerce at airways beacon sites nos. 2 and 25R at Bridal Veil on the Portland-Spokane airway: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF NEW MEXICO

The Senate proceeded to consider the bill (S. 2206) for the relief of the State of New Mexico, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the words "value of", to strike out "$4,520.06" and to insert "$2,839.04"; on the same page, line 9, after the word "items", to strike out "One thousand two hundred and eighteen dollars and twenty-nine cents for property shortages from January 1920 to July 1929, inclusive, approved on August 19, 1929, by a board appointed for determining the accountability of such State for such property shortages; "; and on page 2, line 10, after the numerals "1930", to strike out the semicolon and the words "and $462.73 for property shortages listed in report of survey dated June 3, 1931.", so as to make the bill read:

Be it enacted, etc., That the State of New Mexico is hereby relieved from accountability for certain property belonging to the United States, of the total value of $2,839.04, which property was loaned to such State for use by the New Mexico National Guard and was unavoidably lost or destroyed, such total value representing the sum of the following items: $381.22 for property shortages listed in report of survey dated April 24, 1930; $334.53 and $62.95 for property shortages listed in two reports of survey dated April 25, 1930; $904.48 and $880.12 for property shortages listed in two reports of survey dated June 11, 1930; $11.35 for property shortages listed in report of survey dated July 11, 1930; $264.39 for property shortages listed in report of survey dated September 3, 1930.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CARRIE PRICE ROBERTS

The Senate proceeded to consider the bill (S. 2993) for the relief of Carrie Price Roberts, which had been reported from the Committee on Claims with amendments, on page 1, line 4, after the word "Roberts", to insert "out of any money in the Treasury not otherwise appropriated"; in line 6, after the words "sum of", to strike out "$10,000 as compensation for" and to insert in lieu thereof "$7,500 in full settlement of all claims against the Government on account of"; and to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Carrie Price Roberts, out of any money in the Treasury not otherwise appropriated, the sum of $7,500 in full settlement of all claims against the Government on account of the death of her husband, Lapold S. Roberts, a contract mail carrier between Goldsboro and Wilmington, N. C., who was held up and killed in the early morning hours of March 15 while in the performance of his duties: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2160) for the relief of the George C. Mansfield Co. and George D. Mansfield was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

GENERAL BAKING CO.

The Senate proceeded to consider the bill (S. 1409) for the relief of the General Baking Co., which had been reported from the Committee on Claims with an amendment, to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Commissioners of the District of Columbia are authorized and directed to pay, out of the revenues of the District of Columbia not otherwise appropriated, to the General Baking Co., a corporation organized under the laws of the State of New York, the sum of $1,007.25, in full satisfaction of the claim of such corporation against the United States for a refund of overpayment of taxes on lots 16 to 22, both inclusive, 801, 802, 814, 815, and 816, in square 576, in the District of Columbia: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROBERT M. KENTON

The bill (H. R. 2204) for the relief of Robert M. Kenton was considered, ordered to a third reading, read the third time, and passed.

JOHN E. CLICK

The bill (H. R. 2466) for the relief of John E. Click was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1111) for the relief of Alfred L. Hudson was announced as next in order.

Mr. McKELLAR. Mr. President, I should like an explanation of that bill.

In view of the fact that the Senator in charge of the bill is not present, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

JAMES O. GREENE AND MRS. HOLLIS S. HOGAN

The bill (H. R. 2422) for the relief of James O. Greene and Mrs. Hollis S. Hogan was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 3180) for the relief of Ruth Nolan and Anna Panozza was announced as next in order.

Mr. McKELLAR. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

MICHAEL DALTON

The Senate proceeded to consider the bill (S. 1146) for the relief of Michael Dalton, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, after the words "sum of", to strike out "$5,000" and to insert in lieu thereof "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,000 to Michael Dalton, in full settlement of all claims against the Government of the United States for injuries received by said Michael Dalton on November 14, 1930, when he was struck by a United States mail truck at Third Street and Massachusetts Avenue NW., Washington, D. C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

H. B. ARNOLD

The Senate proceeded to consider the bill (H. R. 3512) for the relief of H. B. Arnold, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, after the words "sum of", to strike out "$1,000" and to insert in lieu thereof "$500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to H. B. Arnold, of St. Simons Island, Glynn County, Ga., the sum of $500 in full settlement of all claims against the Government for damages as the result of a pilot on a United States naval marine plane on January 6, 1932, at St. Simons Island golf course, negligently flying too low and thereby breaking and causing to fall a high-voltage electric-power wire in which said H. B. Arnold became entangled without negligence on his part: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BEND GARAGE CO. AND W. N. HOLBROOK

The Senate proceeded to consider the bill (S. 2889) to authorize settlement, allowance, and payment of certain claims, which had been reported from the Committee on Claims with an amendment, to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Bend Garage Co., Bend, Oreg., the sum of $39 in full settlement of all claims against the United States on account of damages sustained in an automobile accident involving a Civilian Conservation Corps truck near Sweet Home, Oreg., on September 12, 1934.

SEC. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to W. N. Holbrook, Cumberland Gap, Tenn., the sum of $1,548.33 in full settlement of all claims against the United States on account of damage to his filling station as a result of an accident involving a Civilian Conservation Corps truck on December 21, 1933: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISBURSING OFFICERS OF THE ARMY

The Senate proceeded to consider the bill (S. 2169) for the relief of certain disbursing officers of the Army of the United States, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "of", to insert "Capt. T. H. Chambers, Finance Department,

$24.96"; and on page 2, line 1, after the numerals "$9.46", to insert "Capt. H. S. Farish, Finance Department, $3.80", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Capt. T. H. Chambers, Finance Department, $24.96; Maj. H. G. Coykendall, Finance Department, $15.40; Capt. H. B. Lovell, Finance Department, $21; Capt. Jacob R. McNeil, Finance Department, $1.50; Maj. E. C. Morton, Finance Department, $14.97; Maj. T. S. Pugh, Finance Department, $21.03; and Maj. Lee R. Watrous, Finance Department, $9.46; Capt. H. S. Farish, Finance Department, $3.80, said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due military personnel, who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. E. C. Morton, Finance Department, $170.81, representing payment made in error to an officer of the Army, who has since resigned the service, during the period in which he was absent on excessive leave.

SEC. 3. That the Comptroller General of the United States be and he is hereby, authorized and directed to credit in the accounts of Maj. Frank E. Parker, Finance Department, the sum of $146.96, public funds for which he is accountable and which were stolen on the night of September 4, 1933, from the company safe of the commanding officer, Three Hundred and Ninety-first Company, Civilian Conservation Corps, Beddington, Maine, such funds at that time being in the hands of his duly authorized agent officer.

SEC. 4. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Maj. Frank E. Parker, Finance Department, the sum of $174.67, said amount being public funds for which he is accountable and which were destroyed by fire while in the custody of his authorized agent at Civilian Conservation Corps Camp No. 2123, Warren, N. H., on December 31, 1933.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISBURSING OFFICERS OF THE ARMY AND INDIVIDUAL CLAIMS

The bill (S. 556) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Selden B. Armat, major, Finance Department, $60.91; Francis J. Baker, major, Finance Department, $25; Edwin F. Ely, major, Finance Department, $77.37; Clarence M. Exley, major, Finance Department, $92.02; Eugene M. Foster, captain, Finance Department, $19.65; Peter Hanses, captain, Quartermaster Corps, $10.70; Thomas B. Kennedy, captain, Finance Department, $60.30; Montgomery T. Legg, major, Finance Department, $178.47; Harry M. Lovell, captain, Finance Department, $34.78; Samuel B. McIntyre, late colonel, Finance Department, $31.37; Jacob R. McNiel, captain, Finance Department, $180.23; Hilden Olin, colonel, Finance Department, $59.57; Herbert E. Pace, major, Finance Department, $91; Joseph F. Routhier, first lieutenant, Finance Department, $96.53; Philip A. Scholl, captain, Finance Department, $333.82; Edwin B. Spiller, major, Finance Department, $18.27; George N. Watson, major, Finance Department, $178; and Lawrence P. Worrall, captain, Finance Department, $11.28, said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due military personnel, who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 2. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Francis J. Baker, major, Finance Department, $105.57, public funds for which he is accountable, paid to members of the National Guard of Florida and Tennessee for armory drill pay.

SEC. 3. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Edward T. Comegys, major, Finance Department, the sum of $22.70, public funds for which he is accountable, and which were paid by him to Wilmot A. Danielson, major, Quartermaster Corps, for mileage performed under War Department orders, and which amount was disallowed by the Comptroller General of the United States.

SEC. 4. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Otto W. Gralund, major, Finance Department, the sum of $73.80, public funds for which he is accountable and which were paid to a former officer of the United States covering commutation of quarters and from whom it is impossible to make collection.

SEC. 5. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Carl Halla, major, Finance Department, the sum of $323.48, public funds for which he is accountable and which were paid Maj. (then captain) Maurice L. Miller, Infantry, covering loss of personal property and whose claim was approved by the Acting Secretary of War on August 6, 1925, and disallowed by the Comptroller General of the United States.

SEC. 6. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Peter Hanses, captain, Quartermaster Corps, the sum of $43.80, public funds for which he is accountable and which were paid to 14 citizens' military training camp students covering mileage from their homes to Camp Harry J. Jones, Ariz., collection of which amount cannot be effected.

SEC. 7. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Thomas B. Kennedy, captain (retired), Finance Department, the sum of $58.50, public funds for which he is accountable and which were paid to 12 Reserve Officers' Training Corps and citizens' military training camp students on account of mileage from their homes to Fort Sheridan, Ill., collection of which amount cannot now be effected.

SEC. 8. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Edwin J. O'Hara, major, Finance Department, the sum of $86.26, public funds for which he is accountable and which were paid to Howard S. Miller, lieutenant colonel, Coast Artillery Corps, covering mileage under proper orders of the War Department and which payment was disallowed by the Comptroller General of the United States.

SEC. 9. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Edwin M. Lawton, disbursing clerk, War Department, the sum of $38.61, public funds for which he is accountable and which were paid to James R. Kyle, a civilian employee of the Quartermaster General's Office, and disallowed by the Comptroller General of the United States.

SEC. 10. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Frank B. Strunk, former private, Battery C, Three Hundred and Thirty-seventh Regiment Field Artillery, the sum of $44.75, being the amount he has paid for one second Liberty Loan bond by deduction from his pay as an enlisted man and which bond was lost in the mails.

SEC. 11. That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Clarence M. Exley, major, Finance Department, the sum of $22.56, representing public funds for which he is accountable, being payment of mileage of two officers of the Army traveling on orders of the War Department, which now stands as disallowances on the books of the General Accounting Office.

SEC. 12. That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of William A. MacNicholl, major, Finance Department, the sum of $145.70, representing public funds for which he is accountable, being payment of mileage and expenses to an officer of the Army traveling on orders of the War Department, which now stand as disallowances on the books of the General Accounting Office.

SEC. 13. That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of Arthur O. Walsh, captain, Finance Department, the sum of $84.60, representing public funds for which he is accountable and which comprise minor errors in computation of pay and allowances due military personnel who are no longer in the service of the United States, which now stands as disallowances on the books of the General Accounting Office.

SEC. 14. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Austin H. Brown, major, Finance Department, the sum of $46.58, being the amount he has refunded to the United States on account of disallowances in his account as a disbursing officer.

SEC. 15. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Alexander T. McCone, first lieutenant, Field Artillery, $124; and to John C. Hamilton, first lieutenant, Cavalry, $132, being the amounts originally paid to them by disbursing officers of the Army and which amounts they have refunded to the United States by reason of disallowances by the Comptroller General of the United States, covering traveling expenses while studying foreign languages in Europe under proper orders of the War Department.

SEC. 16. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Fred W. Boschen, lieutenant colonel, Finance Department, United States Army, in the sum of $1,165.58, being payments made by him to officers of the Regular Army for traveling expenses and disallowed by the Comptroller General.

SEC. 17. That the Comptroller General of the United States be, and he is hereby, authorized and directed not to require refund from the following-named officers of the Army of amounts originally paid them by a disbursing officer of the Army covering traveling expenses while studying foreign languages in Europe under proper orders of the War Department, which amounts were later disallowed by the Comptroller General: Thomas G. Peyton, major, Cavalry, $236.60; Leo V. Warner, captain, Field Artillery, $235.60; Francis B. Valentine, first lieutenant, Air Corps, $132; and Reginald W. Hubbell, first lieutenant, Quartermaster Corps, $561.38.

SEC. 18. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the following disbursing officers of the Army of the United States the amounts set opposite their names: Herbert Baldwin, captain, Finance Department, $10; Philip G. Blackmore, major, Ordnance Department, $11.70; Jerome Clark, major, Finance Department, $10.05; Edward T. Comegys, major, Finance Department, $97.31; John M. Connor, first lieutenant, Finance Department, $29; Edward Dworak, major, Finance Department, $40.44; Frank F. Fulton, captain, Finance Department, $68.40; John B. Harper, major, Finance Department, $5.45; Laurence V. Houston, captain, Field Artillery, $20.73; Royal G. Jenks, captain, Finance Department, $36.89; Robert J. Kennedy, captain, Finance Department, $6.50; Edwin J. O'Hara, major, Finance Department, $40.77; Walter H. Sutherland, captain, Finance Department, $2; and Ernest W. Wilson, captain, Finance Department, $102.91; said amounts being public funds for which they are accountable and which comprise minor errors in computation of pay and allowances due military personnel who are no longer in the service of the United States, and which amounts have been disallowed by the Comptroller General of the United States.

SEC. 19. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of the finance officer, Panama Canal Department, Quarry Heights, Canal Zone, the sum of $34.75, public funds for which he is accountable and which represent the amount paid by his agent officer with the Pan American flight on vouchers which have been submitted but which are not acceptable by the General Accounting Office.

SEC. 20. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Edward T. Comegys, major, Finance Department, United States Army, the sum of $57.70, public funds for which he is accountable and which were paid by him covering shipment of household goods and personal effects of Capt. John J. Atkinson, Field Artillery, United States Army, upon his permanent change of station: *Provided*, That there shall be no charge raised against Captain Atkinson by reason of this shipment.

SEC. 21. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Kinsley W. Slauson, captain, Quartermaster Corps, United States Army, the sum of $118.50, public funds for which he is accountable and which were paid to officers of the Regular Army for traveling expenses and disallowed by the Comptroller General of the United States: *Provided*, That the amounts so paid shall not be charged against any moneys otherwise due the payees.

SEC. 22. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of John B. Harper, major, Finance Department, United States Army, the sum of $90.90, public funds for which he is accountable and which amount was paid for the transportation of personal property of G. V. Heidt, lieutenant colonel (retired), United States Army, upon his retirement, which amount has been disallowed by the Comptroller General: *Provided*, That no refund on this account shall be demanded of Lt. Col. G. V. Heidt, United States Army, retired.

SEC. 23. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Dana W. Morey, major, Finance Department, United States Army, the sum of $37.85, public funds for which he is accountable and which were stolen by a person or persons unknown sometime between July 20 and 22, 1929, from the safe in the finance office at Fort McPherson, Ga.

SEC. 24. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Oliver T. Simpson, captain, Finance Department, United States Army, the sum of $78.30, public funds for which he is accountable and which represent overpayments to an enlisted man and a citizens' military training camp trainee, and which amount has been disallowed by the Comptroller General of the United States.

SEC. 25. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of James T. Stockton, lieutenant colonel, Texas National Guard, formerly a United States property and disbursing officer for the State of Texas, the sum of $215.83, public funds for which he is accountable, and which were paid by him to former officers and enlisted men of the National Guard of Texas, and to a civilian caretaker of the National Guard of Texas, and which amounts have been disallowed by the Comptroller General.

SEC. 26. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Arthur L. Webb, major, Finance Department, United States Army, the sum of $50.40, public funds for which he is accountable, and which represent payments made to Reserve Officers' Training Corps students, which payments have been disallowed by the Comptroller General of the United States.

SEC. 27. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Ernest W. Wilson, captain, Finance Department, the sum of $89, public funds for which he is accountable, and which amount was paid to a contractor for services rendered and which payment has been disallowed by the Comptroller General of the United States on the grounds that the lower bid was not accepted. The War Department did not consider the lower bidder equipped to render the necessary service and approved payment to the next higher bidder.

SEC. 28. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Thomas H. Emerson, major, Corps of Engineers, the sum of $150; and to James M. Loud, lieutenant colonel (retired), the sum of $75; being the amounts due these officers for deductions made from their pay and now due them as directed by the Supreme Court of the District of Columbia.

SEC. 29. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin K. Wright, first lieutenant, Infantry, United States Army, $1,681.17, or so much of such sum as shall have been collected from him prior to the passage of this act, representing a loss from the peculations and irregularities of a noncommissioned officer in the commissary at Fort Wright, Wash., during the period June 1 to July 26, 1929, while Lieutenant Wright was temporarily acting as post quartermaster: *Provided*, That no part of this shortage shall be later charged to Lt. Edwin K. Wright, Infantry.

SEC. 30. Any amounts which otherwise may have been due any of the disbursing officers mentioned herein, or, in the case of deceased officers, may have been due their heirs, for any other purpose, and which amounts or any part thereof have been used as a set-off by the Comptroller General to clear disallowances in said officers' accounts mentioned herein, shall be refunded to such disbursing officers or their heirs: *Provided*, That any amounts refunded by any of said disbursing officers, or their heirs, to the United States on account of said disallowances, shall also be refunded to such disbursing officers or their heirs.

SEC. 31. That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit in the accounts of Earl I. Brown, colonel, Corps of Engineers, United States Army, the sum of $9,341.35, representing public funds for which he is accountable and being the amount paid by him in April 1920, to the Sheridan-Kirk Contract Co. in connection with the construction of Lock and Dam No. 31 on the Ohio River under contract dated November 6, 1912.

EVA S. BROWN

The bill (H. R. 2553) for the relief of Eva S. Brown was considered, ordered to a third reading, read the third time, and passed.

HENRY HARRISON GRIFFITH

The bill (H. R. 2683) for the relief of Henry Harrison Griffith was considered, ordered to a third reading, read the third time, and passed.

CLAIMS OF MILITARY PERSONNEL

The bill (H. R. 4798) to authorize the settlement of individual claims of military personnel for damages to and loss of private property incident to the training, practice, operation, or maintenance of the Army was considered, ordered to a third reading, read the third time, and passed.

MEMORIAL TO MEN AND WOMEN NOTABLE IN UNITED STATES HISTORY

The joint resolution (S. J. Res. 132) to provide for the creation of a commission to determine a suitable location and design for a memorial to the men and women who have been notable or may become notable in the history of the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas it would be fitting and proper for the United States Government to pay tribute to the men and women who have been notable or may become notable in the history of the United States by the creation of a suitable institution in which could be displayed the portraits, miniature portraits, sculptures, and other like works of art dealing with such men and women; and

Whereas there exists no suitable building for properly housing and displaying such portraits, miniature portraits, sculptures, and other like works of art dealing with such men and women: Therefore be it.

Resolved, etc., That there is hereby created a Commission to be known as the "National Portrait Gallery Building Commission" (hereinafter referred to as the "Commission"). The Commission shall be composed of the chancellor of the Smithsonian Institution, the Chairman and the ranking minority member of the Senate Committee on Public Buildings and Grounds, the Chairman and ranking minority member of the House Committee on Public Buildings and Grounds, and the Supervising Architect of the Procurement Division in the Department of the Treasury. The Director or any Acting Director of the National Gallery of Art shall serve as the executive officer of the Commission and shall perform such duties as the Commission may direct. The Commission is authorized and directed to determine a suitable location in the District of Columbia and a suitable design for a memorial building to the men and women who have been or may become notable in the history of the United States; to procure such plans and designs and make such surveys and estimates of the cost thereof (including furnishings, approaches, and architectural landscape treatment therefor) as it deems advisable; and to make a report to the Congress, together with its recommendations, not later than the beginning of the next regular session of the Seventy-fourth Congress. The members of the Commission shall serve without compensation.

SEC. 2. The Commission may employ clerical and other assistants and make such expenditures (including expenditures for personal services at the seat of government and elsewhere) as may be necessary for the performance of the duties vested in the Commission. All expenditures of the Commission shall be allowed and paid upon presentation of itemized vouchers therefor signed by the chairman. To carry out the provisions of this resolution there is hereby authorized to be appropriated the sum of $10,000.

The preamble was agreed to.

FILING AND INDEXING SERVICE FOR GOVERNMENT PUBLICATIONS

The Senate proceeded to consider the bill (S. 1116) authorizing the establishment of a filing and indexing service for useful Government publications, which had been reported from the Committee on Education and Labor with an amendment, on page 1, line 5, after the word "useful" to strike out "Government" and to insert in lieu thereof the words "government, both Federal and State", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior, through the Office of Education, is authorized and directed to devise a comprehensive filing and indexing service for useful government, both Federal and State, publications and to furnish such service to educational institutions, libraries, and the general public. Such service shall be available at cost, and the receipts therefrom shall be deposited in the Treasury of the United States as miscellaneous receipts.

SEC. 2. (a) The Secretary of the Interior is authorized to appoint such additional officers and employees as may be necessary for the service provided by this act. Appointments under this subdivision shall be subject to the provisions of the civil-service laws, and the salaries shall be fixed in accordance with the Classification Act of 1923, as amended.

(b) The Commissioner of Education is authorized to make such expenditures, out of any money appropriated for the purposes of this act (including expenditures for personal services in the District of Columbia and elsewhere, for books of reference and periodicals, for printing and binding, for travel, and for other miscellaneous expenses not otherwise provided for), as he may deem necessary to carry out the provisons of this act.

SEC. 3. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1935, and annually thereafter, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill authorizing the establishment of a filing and indexing service for useful Government publications."

APPROPRIATION FOR BOOKS FOR THE ADULT BLIND

The bill (H. R. 6371) to authorize an increase in the annual appropriation for books for the adult blind, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1, as amended, of the act entitled "An act to provide books for the adult blind", approved March 3, 1931 (U. S. C., Supp. VII, title 2, sec. 135a), is amended (1) by striking out "$100,000" and inserting in lieu thereof "$175,000", and (2) by inserting before the period at the end thereof a colon and the following: "*Provided*, That of said annual appropriation of $175,000, not exceeding $100,000 thereof shall be expended for books in raised characters, and not exceeding $75,000 thereof shall be expended for sound-reproduction records."

SEC. 2. This act shall be applicable with respect to the fiscal year ending June 30, 1936, and for each fiscal year thereafter.

NAVAL ACADEMY GRADUATES

The Senate proceeded to consider the bill (S. 2521) amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy, which had been reported from the Committee on Naval Affairs with an amendment, on page 2, line 25, after the word "ensign" to strike out "appointed in 1933" and to insert in lieu thereof "then in the service", so as to make the bill read:

Be it enacted, etc., That section 5 of Public Law No. 264, Seventy-third Congress, is hereby amended to read as follows:

"SEC. 5. That section 1 of the Act approved May 6, 1932 (47 Stat. 149; U. S. C., Supp. VII, title 34, sec. 12), is hereby amended by inserting the words 'in 1934 and hereafter' after the words 'midshipmen who', and the words '*Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge or who resigned and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1935, by the President and shall take rank next after the junior ensign appointed in 1933 and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*,' after the words 'Naval Academy' and by striking out 'in 1932, and at least 50 percent of all graduates in subsequent years: *Provided*', so that as amended the said section will read as follows:

"'That the President of the United States is authorized, by and with the advice and consent of the Senate, to appoint as ensigns in the line of the Navy all midshipmen who in 1934 and hereafter graduate from the Naval Academy: *Provided*, That all former midshipmen graduated in 1933 who received a certificate of graduation and honorable discharge or who resigned and whether they have since been married or not may, upon their own application, if physically qualified, and under such regulations as the Secretary of the Navy may prescribe, be appointed as ensigns prior to August 1, 1935, by the President and shall take rank next after the junior ensign then in the service and among themselves in accordance with their proficiency as shown by the order of merit at date of graduation: *And provided further*, That the number of such officers so appointed shall, while in excess of the total number of line officers otherwise authorized by law, be considered in excess of the number of officers in the grade of ensign as determined by any computation, and shall be excluded from any computation made for the purpose of determining the authorized number of line officers in any grade on the active list above the grade of lieutenant (junior grade) until the total number of line officers shall have been reduced below the number otherwise authorized by law.'"

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MIGRATORY BIRD HUNTING STAMP ACT

The Senate proceeded to consider the bill (S. 3006) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes.

Mr. NORBECK. Mr. President, I ask to substitute for the Senate bill, House bill 7982, which is identical.

The PRESIDING OFFICER. Without objection the House bill will be substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 7982) to amend the Migratory Bird Hunting Stamp Act of March 16, 1934, and certain other acts relating to game and other wildlife, administered by the Department of Agriculture, and for other purposes.

Mr. NORBECK. I desire to offer an amendment to the bill to make available $6,000,000 out of the unexpended balance for this year. The amendment has been approved by the committee.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was, on page 15, after line 13, to insert the following:

TITLE VII—CONTINUANCE OF APPROPRIATIONS

That there is hereby appropriated out of the unexpended balance of the sum of $3,300,000,000 appropriated by the act of June 16, 1933 (48 Stat. 274), making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1933, and for other purposes, the sum of $6,000,000, which shall remain available until expended, to enable the Secretary of Agriculture to acquire by purchase or otherwise such lands as may be necessary in his opinion adequately to provide for the restoration, rehabilitation, and protection of migratory waterfowl and other wildlife and to erect and construct thereon and in connection therewith such buildings, dikes, dams, canals, and other works as may be necessary; and in the execution of this joint resolution the Secretary of Agriculture is authorized to make such expenditures for personal services in the District of Columbia and elsewhere as he shall deem necessary.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

The PRESIDING OFFICER. Without objection, Senate bill (S. 3006), being an identical bill, will be indefinitely postponed.

Mr. NORBECK. I also ask that Senate joint resolution 142, providing for the continuance of the wildlife restoration

program and other conservation projects, the last measure on today's Calendar, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATURALIZATION OF CERTAIN RESIDENT ALIEN WORLD WAR VETERANS

The Senate proceeded to consider the bill (S. 2508) to authorize the naturalization of certain resident alien World War veterans, which had been reported from the Committee on Immigration with amendments, on page 2, line 4, after the word "April" to strike out the figure "9" and to insert in lieu thereof "6"; on the same page, line 7, after the word "service" to insert "for any reason other than his alienage"; on page 3, line 2, after the word "Act" to insert "and orders or judgments authorizing such certificates"; and on the same page, line 5, after the words "may be" to strike out "stamped 'valid under this act'" and to insert in lieu thereof "stamped, declaring their validity under this act"; so as to make the bill read:

Be it enacted, etc., That notwithstanding the racial limitations contained within section 2169 of the Revised Statutes of the United States, as amended (U. S. C., title 8, sec. 359), and within section 14 of the act of May 6, 1882, as amended (U. S. C., title 8, sec. 363), any alien veteran of the World War heretofore ineligible to citizenship because not a free white person or of African nativity or of African descent may be naturalized under this act if he—

(a) Entered the service of the armed forces of the United States prior to November 11, 1918;

(b) Actually rendered service with the armed forces of the United States between April 6, 1917, and November 11, 1918;

(c) Received an honorable discharge from such service for any reason other than his alienage;

(d) Resumed his previous permanent residence in the United States or any Territory thereof; and

(e) Has maintained a permanent residence continuously since the date of discharge and is now a permanent resident of the United States or any Territory thereof; upon compliance with all the requirements of the naturalization laws, except—

(f) No certificate of arrival and no declaration of intention shall be required;

(g) No additional residence shall be required before the filing of petition for certificate of citizenship; and

(h) The petition for certificate of citizenship shall be filed with a court having naturalization jurisdiction prior to January 1, 1937.

SEC. 2. Certificates of citizenship heretofore issued and heretofore granted by any court have naturalization jurisdiction under the provisions of the act of May 9, 1918, or of the act of July 19, 1919, to any alien veteran who is eligible to be naturalized under the provisions of section 1 of this act, and orders or judgments authorizing such certificates, are hereby declared to be valid for all purposes insofar as the race of the veteran is concerned. Such certificates may be stamped, declaring their validity under this act, by the Commissioner of Immigration and Naturalization upon submission of satisfactory proof to establish identity.

Certificates declared valid under the foregoing paragraph, which have been lost, mutilated, destroyed, or surrendered to any official of the United States may be replaced by a new certificate bearing date of original certificate upon compliance with the provisions of section 32 (a) of the act of June 29, 1906, as amended.

SEC. 3. On application filed for any benefits under this act, the requirement of fees for naturalization documents is hereby waived.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HAWAIIAN HOMES COMMISSION ACT OF 1920

The Senate proceeded to consider the bill (S. 2965) to amend the Hawaiian Homes Commission Act of 1920, which had been reported from the Committee on Territories and Insular Affairs with an amendment, on page 3, line 8, after "Sec.", to insert "224", so as to make the bill read:

Be it enacted, etc., That section 202 of an act entitled "Hawaiian Homes Commission Act of 1920", approved July 9, 1921, be amended to read as follows:

"Commission; members, officers, compensation: (a) There is hereby established a Commission to be known as the 'Hawaiian Homes Commission', and to be composed of five members. The members shall be appointed by the Governor and may be removed in the manner provided by section 80 of the act entitled 'An act to provide a government for the Territory of Hawaii' approved April 30, 1900. All of the members shall have been residents of the Territory of Hawaii at least 3 years prior to their appointment and at least three of the members shall be descendants of not less than one-fourth part of the blood of the races inhabiting the Hawaiian Islands previous to 1778.

"(b) Any vacancy in the office of an appointed member shall be filled in the same manner and under the limitations of this act.

"(c) One of the members shall be designated by the Governor as chairman. An executive officer and such clerical assistants as may be necessary shall be appointed by the Commission to serve at its pleasure. The executive officer shall receive an annual salary not to exceed $6,000 and shall reside habitually at the major Hawaiian Homes Settlement. Clerical assistants shall be paid in accordance with territorial practice for such services. The members of the Commission shall serve without pay, but shall receive actual expenses incurred by them in the discharge of their duties as such members. Of the originally appointed members 1 shall be appointed for a term of 1 year, 1 for a term of 2 years, 1 for a term of 3 years, 1 for a term of 4 years, 1 for a term of 5 years. Their successors shall hold office for terms of 5 years, except that any member appointed to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds. A member may also be removed by the Governor for cause after due notice and public hearing."

SEC. 2. The Hawaiian Homes Commission Act of 1920 is further amended by adding a new section thereto to read as follows:

"SEC. 224. The Secretary of the Interior shall designate from his Department someone experienced in sanitation, rehabilitation, and reclamation work to reside in the Territory of Hawaii and cooperate with the Commission in carrying out its duties. The salaries of such official so designated by the Secretary of the Interior shall be paid by the Hawaiian Homes Commission while he is carrying on his duties in the Territory of Hawaii, which salary, however, shall not exceed the sum of $6,000 per annum."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HAWAIIAN REVENUE AND FLOOD-CONTROL BONDS

The bill (S. 2966) to empower the Legislature of the Territory of Hawaii to authorize the issuance of revenue bonds, to authorize the city and county of Honolulu to issue flood-control bonds, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Legislature of the Territory of Hawaii may cause to be issued on behalf of the Territory and may authorize any political or municipal corporation or subdivision of the Territory to issue on its own behalf bonds and other obligations payable solely from the revenues derived from a public improvement or public undertaking (which revenues may include transfers by agreement or otherwise from the regular funds of the issuer in respect of the use by it of the facilities afforded by such improvement or undertaking). The issuance of such revenue bonds shall not constitute the incurrence of an indebtedness within the meaning of section 55 of the act of April 30, 1900, entitled "An act to provide a government for the Territory of Hawaii", as amended, and shall not require the approval of the President of the United States.

SEC. 2. The Legislature of the Territory of Hawaii may authorize the city and county of Honolulu to issue its general obligation bonds for the purpose of financing projects for the prevention and control of floods, in a total amount of not to exceed $1,200,000, notwithstanding the existing limitation of indebtedness contained in section 55 of the act of April 30, 1900, entitled "An act to provide a government for the Territory of Hawaii", as amended.

SEC. 3. This act shall take effect immediately. All acts of the Legislature of Hawaii heretofore authorizing the issuance of revenue bonds on behalf of the Territory or by any political or municipal corporation or any subdivision thereof, or authorizing the city and county of Honolulu to issue bonds for the control of any protection against floods, are hereby approved, ratified, and confirmed.

VICTORIA ARCONGE

The Senate proceeded to consider the bill (S. 2388) authorizing and directing the Secretary of the Interior to cancel patent in fee issued to Victoria Arconge, which had been reported from the Committee on Indian Affairs with amendments, on page 2, line 3, after the word "heirs", to insert "or devisees"; in line 6, after the words "the said", to strike out "reservation and with the right of the President in his discretion to extend the trust period" and to insert in lieu thereof "reservation"; and to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to cancel the patent in fee no. 527856 issued to Victoria Arconge under date of May 8, 1916, covering her allotment of land on the Yankton Sioux Reservation, S. Dak., described as follows: Lots 582, 583, 586, and 587 of the Yankton Indian Reservation, S. Dak., containing 160 acres, and to issue to her a trust patent in lieu thereof covering the same land to be held in trust for her sole use and benefit or, in case of her decrease, for the sole use and benefit of her lawful heirs or devisees for the same period under the same conditions as other trust allotments are held on that reservation as extended by the last proclamation of the President relating to the said reservation: *Provided*, That any valid encumbrances now resting against any of said land shall not in any manner be affected by the provisions

of this act, but any of such land so encumbered, if still owned by the allotee, heirs, or devisees, shall, when such encumbrances have been removed, become subject to the provisions of this act as fully and to the same intent as if such land were now unencumbered.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

UTE INDIANS, UTAH, COAL LANDS

The Senate proceeded to consider the bill (S. 1968) authorizing an appropriation for payment to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes, which had been reported from the Committee on Indian Affairs, with an amendment, on page 1, line 4, to strike out "$977,820.83" and insert "$977,796.78"; so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $977,796.78 for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians in the State of Utah for 36,223 acres of land, heretofore classified as coal lands, belonging to said Indians and being a part of the lands which were withdrawn from entry and sale by an Executive order dated July 14, 1905, and included within the Uintah National Forest. Such sum shall be in full satisfaction of all claims of said Indians against the United States with respect to such lands and shall, when appropriated, be apportioned by the Secretary of the Interior among the said bands of Indians in such amounts as in his opinion the interests of said bands require. The amounts so apportioned, less the amount of attorney's fees and proper expenses as provided in section 2, shall be credited to such bands on the books of the Treasury Department, shall bear interest at the rate of 4 percent per annum, and shall be disposed of in the manner provided by law for like funds of said Indians.

SEC. 2. The Secretary of the Interior is authorized and directed to determine and pay a reasonable sum as attorneys' fees and expenses for services rendered in accordance with certain existing contracts executed by the Uintah, White River, and Uncompahgre Bands of Ute Indians and approved by the Commissioner of Indian Affairs and the Secretary of the Interior in accordance with the provisions of section 2103 of the Revised Statutes of the United States. Such fees and expenses shall not in the aggregate exceed 10 percent of the sum herein authorized to be appropriated and shall be paid out of such sum when appropriated

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. McKELLAR. Mr. President, despite the fact the bill has been passed, I should like to have an explanation of it.

Mr. THOMAS of Utah. Mr. President, this is a bill introduced by my colleague the senior Senator from Utah [Mr. KING]. It provides for payment on the part of the Government for some 36,000 acres of land, which is the remaining portion of land which the Government took back from the Indians. They made a partial payment. The balance of payment has been recommended by the Interior Department, by the Bureau of Indian Affairs, and has received the approval of the Committee on Indian Affairs.

Mr. McKELLAR. But the Budget reports against it.

Mr. THOMAS of Utah. The Director of the Budget reported against it as being out of harmony with the President's scheme for control of the Budget at the present time. Notwithstanding that fact, the bill should become a law, because the Indians are entitled to the money.

The Government, incidentally, will gain very much profit from the land as time goes on. Already the Government has received from all the land which they took from the Indians all the money with the exception of $600,000. In the future this 26,000 acres of land will pay the Government a sum equivalent to approximately $75,000,000. It would be better if the Government gave the land back to the Indians. They would like to have the land back, but the Government does not wish to do that.

Mr. McKELLAR. The Senator makes out a very appealing case, but that is a very large sum. In view of the opposition of the Budget, I hope the Senator will let the vote be reconsidered and the bill go over. Is the report here?

Mr. THOMAS of Utah. It is; and I ask unanimous consent to have the report inserted in the RECORD at this point.

Mr. McKELLAR. I shall read it tomorrow.

There being no objection, the report was ordered to be inserted in the RECORD, as follows:

The Committee on Indian Affairs, to whom was referred the bill (S. 1968) authorizing an appropriation to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with the following amendments:

On page 1, line 4, strike out the figures "$977,820.83" and insert in lieu thereof the figures "$977,796.78."

By Executive order dated July 14, 1905, there was taken from the Uintah, White River, and Uncompaghre Bands of Ute Indians, 1,010,000 acres of land, the same being made a part of the Uintah National Forest. Said Indians were not compensated in any way for this land until 1931, when by act of Congress of February 13, 1931 (46 Stat. 1092), there was authorized to be appropriated $1,217,221.25 as payment for 973,777 acres, the same statute directing, with respect to the remaining 36,223 acres, that the Secretary of the Interior should "ascertain the value thereof and report his findings to Congress."

The Secretary has now recommended that in the event Congress feels disposed to make a present settlement for said 36,223 acres that it do so on the following basis:

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,663.98
Possible coal land	12,357.53	10.00	123,575.30
Known coal land	16,911.05	50.00	845,552.50
Total			977,796.78

The Secretary bases his recommendation upon a report of the Geological Survey of April 6, 1911 (within 6 years of the time the land was taken), which was made by three distinguished geologists and reviewed by the entire Board of the Geological Survey. That survey placed a valuation of from $10 to $166 per acre on the so-called "coal lands", or an average of $55.73 per acre.

It should be further noted that from the taking of these lands in 1905 until 1929 the Government has received from annual leases for grazing purposes the sum of $855,000, and the net sum of $663,416.98 for timber taken from this land, or an aggregate income of $1,548,416.98. The Indians have received none of this income.

Moreover, Government agencies have estimated that 500,000,000 feet of timber remains on the land and 1,500,000,000 tons of coal therein. This timber at the nominal stumpage value of $1 per thousand would amount to $500,000 and this coal at a royalty of 5 cents per ton, which the Government has received from many coal lands leased pursuant to the act of February 5, 1931 (41 Stat. 439), would amount to $75,000,000. While it is not thought that the Government will be able to obtain this latter sum for the reason that this coal is a long distance from railroad, it is nevertheless possible that the Government may receive a very substantial sum.

Counsel for the Indians and delegates of the Indian tribes concerned appeared before the committee and stated that the Indians would prefer to have the land returned to the Indians. President Hoover recommended to the Seventy-first Congress that such be done. However, the respective Committees on Indian Affairs of that Congress felt it impracticable to return the lands in view of the fact, as expressed by the Senate committee, that since this territory had been set aside by the Government as a forest "the water of streams originating in the forest have been diverted in the lower level of the river for the reclamation of large tracts of land for agricultural purposes. Further that the larger acreage of these lands is now held and owned by white settlers * * *" (S. Rept. 725, 71st Cong., 2d sess.). That Senate committee therefore concluded that to return the forest would not be "satisfactory to the white settlers in the adjoining territory or * * * in the public interest * * *" (S. Rept. 725, 71st Cong., 2d sess.). With this conclusion your committee concurs.

The report of the Secretary of the Interior on this bill states that the Bureau of the Budget reports that this proposed legislation would not be in accord with the financial program of the President. In view, however, of the fact that these lands were taken from the Indians 30 years ago and cannot be returned, and the further fact that a previous Congress has recognized the binding nature of this obligation and has directed the Secretary of the Interior to fix the value, which he has now done, we do not think that the attitude of the Bureau of the Budget can be justified. Certainly the United States, as the guardian of these Indians, cannot in equity and justice refuse to pay them on the ground that it would sooner, at the present, use this money for other purposes. The act of February 13, 1931 (46 Stat. 1092), by which these Indians were paid for the larger portion of their land was likewise disapproved by the Bureau of the Budget, but when passed by the Congress, received the approval of the President.

The Secretary of the Interior recommends the enactment of this proposed legislation if amended as suggested in his letter of May 22, 1935.

The committee recommends the adoption of the proposed amendment suggested by the Secretary.

A copy of the said letter of the Secretary of the Interior dated May 22, 1935, is appended hereto and made a part of this report, which reads as follows:

INTERIOR DEPARTMENT,
Washington, May 22, 1935.

Hon. ELMER THOMAS,
Chairman Committee on Indian Affairs,
United States Senate.

MY DEAR MR. CHAIRMAN: This will refer further to your letter of February 25 requesting a report on S. 1968, authorizing an appro-

priation of $977,820.83 for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians for 36,223 acres of land.

By Executive order of July 14, 1905, 1,010,000 acres of land belonging to these Indians were withdrawn from entry and sale, and included within the Uintah National Forest. The act of February 13, 1931 (46 Stat. L. 1092), authorized an appropriation of $1,217,221.25 in payment for 973,777 acres of this land at $1.25 an acre, and provided that, as to the balance (36,223 acres), heretofore classified as coal lands, the Secretary of the Interior should proceed to ascertain the value of same and report his findings to Congress for such action as to that body may seem appropriate. In accordance therewith, on July 20, 1931, the Secretary of the Interior forwarded to the President of the Senate and the Speaker of the House, with his approval, copies of the report of an investigation made by the Geological Survey, involving a reclassification and reappraisal of the land as follows:

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,668.98
Possible coal land	12,357.53	1.25	15,446.91
Coal land	16,911.05	2.25	38,049.85
Total	36,203.76		62,165.75

The report states that the noncoal land has no value beyond that of its surface for pasturage and timber, already determined by Congress at not to exceed $1.25 an acre; and that as to the possible coal land the geological evidence obtained by surface inspection affords as competent basis for classification either as coal or noncoal land, no coal being exposed therein, and that the value of the land for coal is so doubtful and intangible as to justify no price above that of $1.25 an acre covering its pasturage and forest utility.

As to the 16,911.05 acres now rated as coal land, the report states that the estimated supply of coal therein amounts to approximately 1,500,000,000 tons, and that on the basis of existing regulations its present worth for immediate development, presupposing a railroad within 15 miles, is $1,823,841.26, or an average of $107.63 an acre; that immediate development, however, is entirely out of the question, as the nearest railroad is a minimum of 63 miles distance by customary routes of travel, and feasible sites of development are yet unreached by permanent wagon roads; and that despite the enormous estimated tonnage, the adverse natural conditions, steep dips of 45 to 60 degrees, relatively low grades of the coal, difficulties of access, and absence of market, reduce the present value of the coal land to an average price of $2.25 an acre. A copy of the report is enclosed.

As to the noncoal land, Congress has heretofore fixed a value of $1.25 per acre in settling for such lands with these same Indians in the act of February 13, 1931, above cited, admittedly a conservative valuation. With reference to the "possible" coal land, however, 12,357.53 acres, aside from their surface value of $1.25 per acre for pasturage and forest utility purposes, to which these Indians are undoubtedly entitled, it is evident from the report of the geologist that surface inspection affords no competent basis for determining its actual value as coal land. Obviously, in the absence of extensive core drilling or other thorough exploration, it is physically impossible to determine whether such lands do or do not contain valuable coal deposits, if so the extent thereof. With such meager and indefinite information at hand, it would be manifestly unjust now to settle with these Indians for such land on the nominal basis of only $1.25 per acre.

As to the 16,911.05 acres of known coal land, estimated to contain approximately one and one-half billion tons, I am unable to agree with the report submitted to the Congress by my predecessor, fixing the value of such land to the Indians at $2.25 per acre. Manifestly, this is entirely too low and it is unfair to them. On the other hand, due primarily to lack of convenient transportation facilities, the absence of a local market for coal in considerable quantities, and other factors pointed out in the geologist's report, a valuation which, in view of these circumstances, might appear excessive, could not well be justified at this time. Fluctuating economic and other conditions render it difficult if not impossible to reach exact values on commodities of this kind, remote from market and lacking cheap and adequate transportation facilities. A few years ago the average value of this coal land for immediate development was placed at $55.73 per acre. The act of May 24, 1888 (25 Stat. L., 157), restoring the area of which this land formed a part to the public domain, provided that the mineral land therein should be paid for at the rate of $20 per acre, the proceeds of course, to go to the Indians. No reason is seen why it should be worth less than that figure to the Indians at this time, with something added by way of interest to compensate them for the long period since the land was taken off the market and added to our national forest reserves in 1905. As to this, see the hearings on Senate bill No. 615, Seventy-first Congress, second session; Senate Report No. 1355, and House Report No. 1948, of the same session.

I am moved, therefore, to suggest either that action on the measure now pending be deferred until more accurate geologic information is available, or that, should Congress feel disposed to make a present settlement based on figures admittedly more or less arbitrary, it do so at the rates indicated below, with the understanding that at some future date, if and when more definite information is at hand, it develops that the Indians have not been adequately compensated further appropriations in their behalf can and will then be made.

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,668.98
Possible coal land	12,357.53	10.00	123,575.30
Known coal land	16,911.05	50.00	845,552.50
Total			977,796.78

If the latter method of settlement is adopted, the figures "$977,796.78" should be substituted for "$977,820.83" appearing in line 4, page 1, of the bill.

I am enclosing copies of a recent memorandum of the Director of the Geological Survey relating to valuation of the land in question.

The Acting Director of the Bureau of the Budget has advised that this proposed legislation would not be in accord with the financial program of the President.

Sincerely yours,

T. A. WALTERS,
Acting Secretary of the Interior.

INTERIOR DEPARTMENT,
Washington, July 20, 1931.

The PRESIDENT OF THE SENATE.

SIR: The act of February 13, 1931 (Pub., No. 622), which authorized an appropriation of $1,217,221.25 in payment for lands of the Uintah, White River, and Uncompahgre Bands of Utes of Utah, taken by the United States for the Uintah National Forest, provided in part as follows:

"That as to the balance of said 1,010,000 acres, amounting to 36,223 acres, which has heretofore been classified as coal lands, the Secretary of the Interior shall proceed with all convenient speed to ascertain the value thereof and report his findings with respect thereto to the Congress not later than 6 months after the approval of this act for such action as the Congress shall deem appropriate."

Proper instructions to make investigation as directed by the act cited were given to the Geological Survey, which in report of June 27, 1931, summarized the value of the lands, embracing but 36,203.76 acres instead of 36,223 acres previously reported or classified for coal, as follows:

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,668.98
Possible coal land	12,357.53	1.25	15,446.91
Coal land	16,911.05	2.25	38,049.86
Total	36,203.76		62,165.75

This Department concurs in the finding of the value of the lands as above quoted from the report of the Acting Director of the Geological Survey.

Copies of his report giving the facts and the reasons in full for the valuation of these lands are transmitted herewith for such action as the Congress may decide to take in the matter.

Respectfully,

JOS. M. DIXON, *Acting Secretary.*

INTERIOR DEPARTMENT,
GEOLOGICAL SURVEY,
Washington, June 27, 1931.

The COMMISSIONER, OFFICE OF INDIAN AFFAIRS:
(Through the Secretary of the Interior).

I refer to your letter (1–C), of March 7, 1931, to the Secretary, wherein you invite attention to the act of February 13, 1931 (Pub., No. 622), and discuss the payment to the Ute Indians of Utah for certain lands in the Uintah National Forest and recommend that the Geological Survey be requested to make the required investigation to the end that the provisions of the act cited may be complied with. On March 13, 1931, the letter was approved and referred to the Geological Survey by the First Assistant Secretary.

The Geological Survey is in receipt of the following report dated June 19, 1931, by a geologist of this office:

"Enclosed is a plat showing graphically the status of lands classified or withdrawn for coal within the boundaries of the Uintah National Forest, Utah, as adjudged by the undersigned in consequence of his field investigations of June 5 to 12, inclusive, 1931, pursuant to instructions of the Assistant Secretary, dated April 6, 1931 (Utah 22, 291) and due authorization by the Acting Director.

"Careful computations show a total of 36,203.76 acres classified as coal land or withdrawn pending classification as to coal within the Uintah Forest, 14,991.38 acres heretofore classified coal land, and 21,212.38 acres in withdrawn status. In accordance with the results of my investigations I have revised these figures as indicated below:

	Acres
Coal land	16,911.05
Possible coal land	12,357.53
Noncoal land	6,935.18
Total	36,203.76

"With regard to the value of this acreage to the Government, it is obvious that the noncoal acreage has no value beyond that of its surface for grazing and timber, already determined, I believe; by Congress, at not to exceed $1.25 an acre.

"With regard to the acreage rated as possible coal land, the geological evidence obtainable from surface inspection provides no competent basis for a formal classification either as coal or noncoal. No coal is exposed in the areas rated as possible coal land nor is the geological evidence of its presence definite enough to indicate just where core drilling or deep digging with pick and shovel might be successful in disclosing coal. Rock exposures consist of resistant sandstone ledges in widely separated 'windows' through the areal cover of Bishop conglomerate, glacial debris, and dense vegetation, carrying no distinct fossils and no satisfying conviction either of frontier age or of associated coal beds of workable thickness and character. In my judgment, the value for coal of the lands here rated as possible coal lands is so doubtful and intangible as to command as of February 13, 1931, no price above that of $1.25 an acre fixed as the worth of their grazing and forest utility.

"With regard to the 16,911.05 acres now rated as coal land, the present value to the Government is undoubtedly greater than to any private interest, inasmuch as the Government has no taxes or profits to consider and its costs of supervision and inspection are relatively very low. On the basis of the existing coal regulations, the present worth of the area rated as coal land, for immediate development, presupposing a railroad within 15 miles, is $1,823,841.26, or an average of $107.85 an acre. Immediate development, however, is entirely out of the question as the nearest railroad is a minimum of 63 miles distant by customary routes of travel, and feasible sites of development are as yet unreached by permanent wagon roads. A local market for perhaps 10,000 tons of coal a year might be built up in the Uintah Basin were roads opened and maintained at public expense to mine sites in the valleys of Red or Currant Creeks. Under present conditions, however, no incentive exists for county or State to assume such expense and the cost of private maintenance exceeds the profits derived from mining and marketing Uintah Forest coal in competition with that from other Utah sources, more specifically Castlegate. On the whole, no appreciable market for Uintah Forest coal is now in sight nor is now perceptible with certainty in the future. If provided shipping facilities within the next few years, such coal would find itself in keen competition with other Utah, northwest Colorado, and southwest Wyoming coals of slightly superior grade and established standing in the limited markets of the Northwest and Pacific coast, and with no special qualities to recommend it or to encourage its use.

"For purposes of present valuation, then, it is assured that the Uintah Forest coal will be completely mined out in 200 years, an arbitrary assumption for which there is no warrant beyond convenience, and that, therefore, the average acre of coal land will be held undeveloped for 100 years. Presuming further that long-term Government bonds issued to finance the purchase of coal lands for development 100 years hence would bear interest at 4 percent compounded annually, the present worth of the average acre of Uintah Forest coal is $2.135. At 3 percent compounded annually, the present worth of the average acre is $5.61.

"Despite the enormous tonnage of coal involved, approximately 1,500,000 tons, the adverse natural conditions likewise involved, steep dips of 45 to 60 degrees, relatively low grade of the coal, difficulties of access and absence of market, persuade me fully that the present value of this coal land to the Government is fairly represented by an average price of $2.25, or not to exceed $2.50 an acre.

"Accordingly, I recommend that, pursuant to the Assistant Secretary's call of April 6, 1931, the Survey reports its classification and valuation of the withdrawn and classified coal lands of the Uintah National Forest, including grazing and forest utility, as follows:

Classification	Acres	Value per acre	Total value
Noncoal land	6,935.18	$1.25	$8,668.98
Possible coal land	12,357.53	1.25	15,446.91
Coal land	16,911.05	2.25	38,049.86
Total	36,203.76		62,165.75

I endorse the findings of fact and conclusions of the geologist and recommend that the Secretary of the Interior ascertain the value of the lands involved to be as follows:

Noncoal land, 6,935.18 acres, at $1.25 per acre $8,668.98
Possible coal land, 12,357.53 acres, at $1.25 per acre 15,446.91
Coal land, 16,911.05 acres, at $2.25 per acre 38,049.86

Total value 62,165.75

W. C. MENDENHALL, *Acting Director.*

INTERIOR DEPARTMENT,
GEOLOGICAL SURVEY,
Washington, May 2, 1935.

Memorandum to Mr. Kirgis.

With regard to the accompanying draft of reports to the Honorable ELMER THOMAS, Chairman Senate Committee on Indian Affairs, on S. 1968, and to the Honorable WILL ROGERS, Chairman House Committee on Indian Affairs, on H. R. 6019, authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians for certain land in the Uintah National Forest, Utah:

As the Geological Survey is already on record with a technical finding of values in the acreage here involved, at decided variance with the conclusions expressed in these reports, Survey endorsement of the latter can scarcely be expected.

The outstanding fallacy in the report drafts is their omission, on page 3, of the significant phrase "for immediate development", at the end of line 10, the inclusion of which is necessary to qualify the sentence as a statement of "the whole truth" and would amend it to read:

"A few years ago the average value of this coal land for immediate development was placed at $55.73 per acre."

Immediate development, by which I mean development within the next 50 years of more than one 40-acre subdivision of the coal land here involved, is effectively precluded by the relatively inferior grade of the coal itself, by adverse physical conditions affecting the occurrence and accessibility of the deposits, and by the intensity of the competition already existing in the markets to which coal might conceivably be supplied from this area. As the Government is not contemplating immediate development of this coal, no justification is obvious for its payment to anybody of the immediate-development price for more than one 40-acre subdivision as a generous maximum. For the remainder of the coal acreage involved the immediate-development price discounted to the basis of present worth constitutes all that the Federal Government or any other prospective purchaser of coal land is justified in paying for it for reserve or indefinite holding purposes. Had the bituminous coal operators in the Eastern fields recognized this economic principle a generation or so ago and applied it to their purchases of coal land, the menacing economic dilemma in which they now find themselves would have been avoided.

With regard to the provisions of the act of May 24, 1888 (25 Stat. 157), relative to mineral entries involving lands in the area under present consideration, the question is merely raised whether, with respect to the coal acreage at least, the act of February 13, 1931 (46 Stat. 1092), requiring expeditious ascertainment of the value thereof by the Secretary of the Interior, may not be properly construed as superseding the $20 per acre retail sale price derived by implication from the language of the prior act.

Should it be held, however, by competent authority that the act of May 24, 1888, still obligates the Federal Government, in a wholesale purchase, to pay the Ute Bands not less than $20 an acre for the coal land under consideration, I could scarcely interpose competent objection to that maximum regardless of the Survey's finding that the present worth of the land is far less. Inasmuch as the acts of February 13, 1931, supra, and of March 4, 1931 (46 Stat. 1566), make no provision for the allowance of interest on the appraised value of the nonmineral acreage from 1905 to 1931, the injection of the interest factor into the question of settlement for the mineral acreage seems to me both gratuitous and against the public interest.

With regard to the prospect for "more accurate geologic information" concerning the acreage returned as probable coal land, no encouragement is in sight. On the area involved such information can be obtained only by an extensive campaign of core drilling for which no funds are available and for which the expense would undoubtedly exceed the value of the information obtained.

W. C. MENDENHALL, *Director.*

Mr. McKELLAR. I ask that the vote by which the bill was passed may be reconsidered.

The PRESIDING OFFICER. Without objection, the vote by which the bill was passed will be reconsidered, and the bill will be restored to the calendar.

Mr. THOMAS of Utah subsequently said: Mr. President, I ask unanimous consent to return to Calendar No. 872, the bill (S. 1968) authorizing an appropriation for payment to certain bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes. The bill was passed once, and then the Senator from Tennessee [Mr. McKELLAR] asked a reconsideration of the vote by which it was passed and that it be restored to the calendar. I believe if I should read to the Senator but one paragraph of the report it would clear up the situation to his satisfaction:

It should be further noted that from the taking of these lands in 1905 until 1929 the Government has received from annual leases for grazing purposes the sum of $855,000, and the net sum of $663,416.98 for timber taken from this land, or an aggregate income of $1,548,416.98. The Indians have received none of this income.

In other words, the Government has received $1,500,000, and after the payment of this claim will have a clear profit of about $500,000 out of this single transaction.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. THOMAS of Utah. Mr. President, as I have said, the bill authorizes the appropriation of $977,796.78 to the Ute Indians in payment for 36,223 acres of land taken from them by Presidential proclamation on July 14, 1905.

The amount designated in the bill represents $1.25 for so much of the land as has been determined to be noncoal land, $10 per acre for that part of the land that has been determined to be possible coal land, and $50 per acre for that part of the land that has been determined to be coal land. Of the total amount of $977,796.78 the amount to be paid for the coal lands represents $845,552.50.

The valuation of the coal lands set forth in the bill is based upon a comprehensive geological survey made April 6, 1911. This survey determined this coal land to be worth $55.73 per acre. It is true that the report of the Acting Secretary of the Interior to the Committees on Indian Affairs, a copy of which is annexed to the report, states that a geological survey made in 1931 values the coal land at only $2.25 an acre. This geological report, however, states that it was based on surface inspection; that no core drilling or other approved methods of evaluation were made. The records of the geological survey further show that the geologist who made the 1931 survey left Salt Lake City, went to the Uintah Reservation, inspected these 36,223 acres of land, and was back in Salt Lake City in 10 days' time.

The Secretary of the Interior therefore repudiates this superficial report of 1931 and bases his estimate of value on the thorough survey of 1911. It should further be noted that the Indians should be compensated on the basis of the value of the lands as of the time they were taken. The survey of 1911 was made only 6 years after the lands were taken whereas the repudiated survey of 1931 was taken 26 years thereafter.

Apart from the value of the land the Government loses nothing by this appropriation bill, for the Government has already received from the land taken from the Indians the sum of $855,000 for grazing permits and the net sum of $663,416.98 for timber taken from the land, or an aggregate income of $1,548,416.98.

Against this income the United States has paid out $1,217,221.25 for part of the land taken and by this bill will pay an additional $977,796.78 or a total of $2,195,018.03, which is approximately $600,000 more than already received from the land.

Government agencies, however, indicate that there still remain on the land 5,000,000 feet of timber and 1,500,000,000 tons of coal. At the nominal stumpage value of $1 per 1,000 feet for the remaining timber alone is another $500,000 and at a royalty of 5 cents per ton, which the Government has received from many coal lands leased pursuant to the act of February 5, 1921 (41 Stat. 439), the Government may possibly have a further income of as high as $75,000,000.

The Indians would be glad to get this land back, but if it were given back to the Indians they would have to restore to the Treasury approximately $1,200,000, which they have already received, but as against this the Indians would be entitled to a credit of over $1,500,000 for income received by the Government. On account of white settlers it is impossible to return the land to the Indians and in view of all the facts it certainly seems that the appropriation of $977,796.78 is a meagre amount to be paid to the Indians and the least that the Government can do.

It has been suggested that the Indians should probably present their case to the Court of Claims rather than seek an appropriation bill from Congress. The answer is that the Indians, for a long time have attempted to secure a jurisdictional bill permitting them to go to the Court of Claims. The committees of Congress, however, in 1931 converted the proposed jurisdictional bill into an appropriation bill and compensated the Indians at that time for 973,777 acres and directed the Secretary of the Interior, as to the remaining 36,223 (designated as "coal lands") to determine the value thereof and report the same to Congress. This the Secretary has now done and the Congress, to be consistent with its former policy, should now approve payment of this sum.

Mr. McKELLAR. Mr. President, may I ask the Senator what arrangement there is, if any, in reference to attorneys' fees? Is this a claim in which attorneys' fees will be allowed?

Mr. THOMAS of Utah. Yes.

Mr. McKELLAR. Is there a limitation in the bill relating to attorneys' fees? If we are going to do the right thing by the Indians, and we should, of course, we ought to provide that there should be only a moderate fee paid.

Mr. THOMAS of Utah. There is such a limitation. The Chairman of the Committee on Indian Affairs brought up that very question and it was answered to his satisfaction. No fee will be granted which is not in conformity with the wishes of the Bureau of Indian Affairs and the Department of the Interior.

Mr. McKELLAR. Mr. President, I think the Congress ought so to provide in the bill. I am in sympathy with the situation which the Senator has described. I think the land either ought to be returned or the Indians ought to be paid for it, especially as the Government has already received most of the money in profits.

I find in the bill, however, no provision which limits the attorneys' fees. I myself am a lawyer, and I think lawyers ought to be paid; but it would be little short of a crime if we should return this large sum to the Indians and then half of it, say, should be taken by attorneys. It should not be done. I think a percentage ought to be named in the bill.

Mr. THOMAS of Utah. There is such a provision in the bill.

Mr. McKELLAR. Will the Senator point it out? In the brief time I have had in which to examine the bill I have not found it.

Mr. THOMAS of Utah. It is on page 2.

Mr. McKELLAR. Yes; I find on page 2 a provision for 10 percent. That is a very large sum if all the attorneys have done is to send the claim to Congress.

Mr. THOMAS of Utah. It is an extremely large sum; and if the Senator will refer to the committee records he will discover that before the committee I made the statement that if any sum so large as 10 percent should be asked I should be opposed even to allowing the bill to come to the floor of the Senate.

Mr. McKELLAR. Would the Senator be willing to amend the bill by putting in "not exceeding 5 percent"? If so, I should have no objection to the passage of the bill.

Mr. THOMAS of Utah. That would be perfectly satisfactory to me if it would be satisfactory to the Senate.

Mr. McKELLAR. Mr. President, I move that the bill be amended, in line 22, page 2, by striking out "10" and inserting "5."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 22, it is proposed to strike out "10" and insert "5", so that, if amended, it will read:

Such fees and expenses shall not in the aggregate exceed 5 percent of the sum herein authorized to be appropriated and shall be paid out of such sum when appropriated.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRESERVATION OF HISTORIC AMERICAN SITES

The Senate proceeded to consider the bill (S. 2073) to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes, which had been reported from the Committee on Public Lands and Surveys, with amendments.

The first amendment was, on page 1, to strike out section 1, as follows:

That it is hereby declared that the preservation for public use of historic sites, buildings, and objects of national significance, hallowed by the presence and touch of great men or the passage of great events, and of antiquities, will be an incalculable blessing to the Nation; and that it is a national policy to preserve the same for the inspiration, benefit, and enjoyment of the people.

And in lieu thereof insert the following:

That it is hereby declared that it is a national policy to preserve for public use historic sites, buildings, and objects of national significance for the inspiration and benefit of the people of the United States.

The amendment was agreed to.

The next amendment was, on page 2, line 20, after the words "United States", to strike out the words "or in foreign countries", so as to make the paragraph read:

(c) Make necessary investigations and researches in the United States relating to particular sites, buildings, or objects to obtain true and accurate historical and archaeological facts and information concerning the same.

The amendment was agreed to.

The next amendment was, on pages 2 and 3, to strike out paragraphs (d), (e), and (f), as follows:

(d) Establish and maintain a library to facilitate the administration of this act.

(c) For the purposes of this act, acquire in the name of the United States by gift, purchase, or the exercise of the power of eminent domain any property, personal or real, or any interest or estate therein, title to any real property to be satisfactory to the Secretary: *Provided*, That condemnation proceedings shall not be had nor resorted to for the purpose of acquiring any historic building or structure or land used in connection therewith if the same is preserved, operated, and administered for the benefit of the public.

(f) Contract and make cooperative agreements with States, municipal subdivisions, corporations, associations, or individuals, with proper bond where deemed advisable, to protect, preserve, maintain, or operate any historic or archaeologic building, site, object, or property used in connection therewith for public use, regardless as to whether the title thereto is in the United States.

And to insert in lieu thereof the following:

(d) For the purpose of this act, when authorized by Congress, acquire in the name of the United States by gift, purchase, or otherwise any property, personal or real, or any interest or estate therein, title to any real property to be satisfactory to the Secretary: *Provided*, That no such property which is owned by any religious or educational institution, or which is owned or administered for the benefit of the public, shall be so acquired without the consent of the owner.

The amendment was agreed to.

The next amendment was, on page 4, line 3, to strike out "(g)" and insert "(e)", and in line 5, after the word "national", to insert the words "historical or archaeological", so as to make the paragraph read:

(e) Restore, construct, rehabilitate, preserve, and maintain historic or prehistoric sites, buildings, objects, and properties of national historical or archaeological significance, and where deemed desirable establish and maintain museums in connection therewith.

The amendment was agreed to.

The next amendment was, on page 4, line 8, to strike out "(h)" and insert "(f)", and in the same line, after the word "tablets", to strike out the words "memorials and monuments", and in line 10, after the word "national", to insert the words "historical or archaeological", so as to make the paragraph read:

(f) Erect and maintain tablets to mark or commemorate historic or prehistoric places and events of national historical or archaeological significance.

The amendment was agreed to.

The next amendment was on page 4, line 12, to strike out "(i)" and insert "(g)"; and in line 13, after the word "properties", to insert the words "acquired under the provisions of this act"; and in line 17, after the word "permits", to strike the words "without advertising and without securing competitive bids"; so as to make the paragraph read:

(g) Operate and manage historic and archaeologic sites, buildings, and properties acquired under the provisions of this act together with lands and subordinate buildings for the benefit of the public, such authority to include the power to charge reasonable visitation fees and grant concessions, leases, or permits for the use of land, building space, roads, or trails when necessary or desirable either to accommodate the public or to facilitate administration.

The amendment was agreed to.

The next amendment was on page 4, line 21, to strike out paragraph (j) in the following words:

(j) When the Secretary determines that it would be administratively burdensome to restore, reconstruct, operate, or maintain any particular historic or archaeologic site, building, or other property used in connection therewith through the National Park Service, he may cause the same to be done by organizing a corporation for that purpose under the laws of the District of Columbia or any State.

The amendment was agreed to.

The next amendment was, on page 5, line 4, to renumber the paragraph by striking out "(k)" and inserting "(h)."

The amendment was agreed to.

The next amendment was on page 5, line 10, to renumber the paragraph by striking out "(l)" and inserting "(i)" and in line 15, after the numerals "$500" to strike out the words "or imprisonment for not exceeding 6 months, or both", so as to make the paragraph read:

(i) Perform any and all acts, and make such rules and regulations not inconsistent with this act as may be necessary and proper to carry out the provisions thereof. Any person violating any of the rules and regulations authorized by this act shall be punished by a fine of not more than $500 and be adjudged to pay all cost of the proceedings.

The amendment was agreed to.

The next amendment was in section 3 on page 6, line 1, after the word "travel" to strike out the words "and a reasonable per diem", so as to make the paragraph read:

SEC. 3. A general advisory board to be known as the "Advisory Board on National Parks, Historic Sites, Buildings, and Monuments" is hereby established, to be composed of not to exceed 11 persons, citizens of the United States, to include representatives competent in the fields of history, archaeology, architecture, and human geography, who shall be appointed by the Secretary and serve at his pleasure. The members of such board shall receive no salary but may be paid expenses incidental to travel when engaged in discharging their duties as such members.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL PARK TRUST FUND BOARD

The Senate proceeded to consider the bill (S. 2074) to create a National Park Trust Fund Board, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with amendments.

The first amendment was, in section 1, on page 2, line 8, after the word "incurred", to strike out "the voucher of the chairman of the Board shall be sufficient evidence that the expenses are properly allowable. Any expenses of the Board, including the cost of its seal, not properly chargeable to the income of any trust fund held by it, shall be estimated for in the annual estimates of the National Park Service of the Department of the Interior", so as to make the section read:

That a board is hereby created and established, to be known as the "National Park Trust Park Fund Board" (hereinafter referred to as the "Board"), which shall consist of the Secretary of the Treasury, the Secretary of the Interior, the Director of the National Park Service, and two persons appointed by the President for a term of 5 years each (the first appointments being for 3 and 5 years, respectively). Three members of the Board shall constitute a quorum for the transaction of business, and the Board shall have an official seal, which shall be judicially noticed. The Board may adopt rules and regulations in regard to its procedure and the conduct of its business.

No compensation shall be paid to the members of the Board for their services as such members, but they shall be reimbursed for the expenses necessarily incurred by them, out of the income from the fund or funds in connection with which such expenses are incurred.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 19, after the words "approved by the", to strike out the words "Board and by the Secretary of the Interior" and to insert the words "Board, but no such gift or bequest which entails any expenditure not to be met out of the gifts, bequest, or the income thereof shall be accepted without the consent of Congress", so as to make the paragraph read:

SEC. 2. The Board is hereby authorized to accept, receive, hold, and administer such gifts or bequests of personal property for the benefit of, or in connection with, the National Park Service, its activities, or its service, as may be approved by the Board, but no such gift or bequest which entails any expenditure not to be met out of the gift, bequest, or the income thereof shall be accepted without the consent of Congress.

The amendment was agreed to.

The next amendment was, in the same section, on page 3, line 2, after the word "determine", to strike out the following:

The income as and when collected shall be deposited with the Treasurer of the United States, who shall enter it in a special account to the credit of the National Park Service and subject to disbursement by the Director for the purposes in each case specified; and the Treasurer of the United States is hereby authorized to honor the requisitions of the Director made in such manner and in accordance with such accounting and fiscal regulations as the Treasurer may from time to time prescribe: *Provided, however,* That the Board is not authorized to engage in any business nor shall the Board make any investments that could not lawfully be made by a trust company in the District of Columbia, except that it may make any investments directly authorized by the instrument of gift, and may retain any investments accepted by it.

And to insert in lieu thereof the following:

The income, as and when collected, shall be covered into the Treasury of the United States in a trust fund account to be known as the "National Park Trust Fund" subject to disbursement by the Division of Disbursement, Treasury Department, for the purposes in each case specified: *Provided, however,* That the Board is not authorized to engage in any business, nor shall the Secretary of the Treasury make any investment for account of the Board that may not lawfully be made by a trust company in the District of Columbia, except that the Secretary may make any investments directly authorized by the instrument of gift, and may retain any investments accepted by the Board.

And on page 4 to strike out lines 4 to 14, both inclusive, as follows:

Should any gift or bequest so provide, the Board may deposit the principal sum, in cash, with the Treasurer of the United States as a permanent loan to the United States Treasury, and the Treasurer shall thereafter credit such deposit with interest at the rate of 4 percent per annum, payable semiannually, such interest, as income, being subject to disbursement by the Director of the National Park Service for the purposes specified: *Provided however,* That the total of such principal sums at any time so held by the Treasurer under this authorization shall not exceed the sum of $5,000,000.

So as to make the paragraph read:

The moneys or securities composing the trust funds given or bequeathed to the Board shall be receipted for by the Secretary of the Treasury, who shall invest, reinvest, or retain investments as the Board may from time to time determine. The income, as and when collected, shall be covered into the Treasury of the United States in a trust fund account to be known as the "National Park Trust Fund" subject to disbursement by the Division of Disbursement, Treasury Department, for the purposes in each case specified: *Provided, however,* That the Board is not authorized to engage in any business, nor shall the Secretary of the Treasury make any investment for account of the Board that may not lawfully be made by a trust company in the District of Columbia, except that the Secretary may make any investments directly authorized by the instrument of gift, and may retain any investments accepted by the Board.

The amendment was agreed to.

The next amendment was on page 6, to strike out section 6, as follows:

Sec. 6. Employees of the National Park Service who perform special functions for the performance of which funds have been intrusted to the Board or the Secretary of the Interior, or in connection with cooperative undertakings in which the National Park Service is engaged, shall not be subject to the proviso contained in the act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1918, and for other purposes, approved March 3, 1917 (39 Stat. 1106); nor shall any additional compensation so paid to such employees be construed as a double salary under the provisions of section 6 of the act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1917, as amended (39 Stat. 582).

The amendment was agreed to.

The next amendment was, on page 6, to renumber the section by striking out "7" and inserting "6."

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I should like a brief explanation of the bill.

Mr. MURRAY. Mr. President, this is a companion bill to the bill just passed and merely provides that a trust-fund board shall be created for the purpose of receiving and administering the trust funds.

Mr. McKELLAR. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 2140) for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey, was announced as next in order.

Mr. McKELLAR. Over.

The PRESIDING OFFICER. The bill will be passed over.

RICHMOND, FREDERICKSBURG & POTOMAC RAILROAD CO.

The Senate proceeded to consider the bill (S. 1730) for the relief of the Richmond, Fredericksburg & Potomac Railroad Co.

Mr. McKELLAR. Mr. President, I should like to have a brief explanation of the bill.

Mr. TRAMMELL. Mr. President, the bill was considered by the Committee on Naval Affairs. It is based on claims recommended by the Navy Department. Briefly the facts were that in making improvements at Quantico the Navy Department obtained authority from Congress in 1930 to do certain filling to change the channel of a small river. In making the change they disturbed and upset the railroad bridge, necessitating the construction of a new bridge. The authorities and the Secretary of the Navy agreed with the railroad that the Government should pay half the cost and the railroad should pay half the cost. The claim arises in that way and is recommended by the Navy Department, the bill having been introduced by the junior Senator from Virginia [Mr. BYRD]. I am familiar with the facts.

Mr. McKELLAR. In view of that statement I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized to pay to the Richmond, Fredericksburg & Potomac Railroad Co., out of the appropriation "Public Works, Bureau of Yards and Docks", the sum of $32,362.24, being one-half of the sum paid out and expended by said railroad company in constructing the railroad bridge over the relocated channel of Choppawamsic Creek near Quantico, Va.: *Provided,* That payment to and the receipt by the said railroad company of the sum herein authorized to be paid shall be in full settlement of any and all claims and demands against the Government of the United States on account of the construction of said bridge.

BILL PASSED OVER

The bill (S. 2845) to provide for the retirement and retirement annuities of civilian members of the teaching staffs at the United States Naval Academy and the Postgraduate School, United States Naval Academy, was announced as next in order.

Mr. McKELLAR. Mr. President, what would be the annual cost of this retirement proposal?

Mr. TRAMMELL. Mr. President, I have no definite figures at hand at the moment.

Mr. McKELLAR. Suppose we let the bill go over until the next time the calendar is called?

Mr. TRAMMELL. Very well.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 4764) for the relief of the officers and men of the United States Naval and Marine Corps Reserves who performed flights in naval aircraft in connection with the search for victims and wreckage of the United States dirigible *Akron,* was announced as next in order.

Mr. McKELLAR. Mr. President, I think we ought to have an explanation of that bill from the Senator from Florida [Mr. TRAMMELL]. Let it go over.

The PRESIDING OFFICER. The bill will be passed over.

AUSTIN L. TIERNEY

The Senate proceeded to consider the bill (S. 144) for the relief of Austin L. Tierney, which had been reported from the Committee on Naval Affairs with an amendment, on page 1, line 9, after the word "Provided", to strike out "That no pay, bounty, or allowances shall be held as accrued prior to the passage of this act" and insert "That no compensation, retirement pay, back pay, or other benefits shall be held to have accrued, nor to accrue in the

future, by reason of the passage of this act", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Austin L. Tierney, who served as a fireman, third-class, United States Navy, shall be held and considered to have been honorably discharged from the naval service of the United States as a fireman, third class, on April 25, 1918: *Provided*, That no compensation, retirement pay, back pay, or other benefits shall be held to have accrued, nor to accrue in the future, by reason of the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JORDAN NARROWS (UTAH) MILITARY RESERVATION

The Senate proceeded to consider the bill (S. 1893) to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 4, after the word "all", to strike out "those portions of sections 5 and" and to insert "of section", so as to make the bill read:

Be it enacted, etc., That, being no longer needed for or useful for military purposes, all of section 6 of township 4 south, range 2 west, Salt Lake base and meridian, heretofore withdrawn and reserved for military purposes and now included within the Utah State Military Reservation, Jordan Narrows, Utah, are hereby transferred from the War Department to, and placed under the control and jurisdiction of, the Department of the Interior to be administered or disposed of under the laws of the United States relating to the administration and disposition of the public domain.

Mr. McKELLAR. Mr. President, will the Senator from Texas explain that bill?

Mr. SHEPPARD. Mr. President, the enactment of Senate bill 1893 will place certain portions of the Jordan Narrows Military Reservation described in the bill under the control and jurisdiction of the Department of the Interior, to be administered or disposed of under the laws of the United States relating to the administration and disposition of the public domain. The lands involved were reserved for military purposes by an Executive order of 1914, but they are no longer required by the War Department. The War Department interposes no objection to the enactment of the measure, and its enactment will not involve the expenditure of any public funds.

Mr. McKELLAR. It merely turns over the lands from one department to another?

Mr. SHEPPARD. That is true.

Mr. McKELLAR. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 379) to provide for the deportation of certain alien seamen, and for other purposes, was announced as next in order.

Mr. AUSTIN. Mr. President, I observe the absence of several members of the committee which reported this bill who have expressed a desire to be present when the bill is considered. On that account I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H. R. 5382) to provide for advancement by selection in the staff corps of the Navy to the ranks of lieutenant commander and lieutenant; to amend the act entitled "An act to provide for the equalization of promotion of officers of the staff corps of the Navy with officers of the line" (44 Stat. 717; U. S. C., Supp. VII, title 34, secs. 348 to 348t), and for other purposes, was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

That completes the calendar.

BOARD OF SHORTHAND REPORTING

Mr. CONNALLY. Mr. President, I ask unanimous consent to revert to Senate bill 1453, being Calendar No. 354. I wish to offer an amendment to it.

The PRESIDING OFFICER. Is there objection?

There being no objection the Senate proceeded to consider the bill (S. 1453) to create a Board of Shorthand Reporting, and for other purposes, which was read, as follows:

Be it enacted, etc., That there is hereby established a National Board of Shorthand Reporting (hereinafter referred to as the "Board") to be composed of three members to be appointed by the President, by and with the advice and consent of the Senate. The members of the Board, with the exception of the members first to be appointed, shall be holders of certificates issued under the provisions of this act. The members first appointed shall be skilled in the art and practice of shorthand reporting and shall have been actively and continuously engaged as professional shorthand reporters within the United States for at least 5 years preceding their appointments. The members shall hold office for a term of 3 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term, and (2) the terms of office of the members first taking office after the date of enactment of this act shall expire, as designated by the President at the time of nomination, one at the end of 1 year, one at the end of 2 years, and one at the end of 3 years, after such date. The Board shall elect one of its members as chairman and one as secretary-treasurer, who shall hold their respective offices for 1 year. The Board shall make all necessary rules and regulations to carry out the provisions of this act. Any two members shall constitute a quorum for the transaction of business.

SEC. 2. Any person who has received from the Board a certificate of his qualifications to practice as a shorthand reporter shall be known and styled as a "Federal certified shorthand reporter", and no other person, and no partnership all of the members of which have not received such certificate, and no corporation shall assume such title or the abbreviation "F. C. S. R.", or any other words, letters, or abbreviations tending to indicate that the person, partnership, or corporation so using the same is a Federal certified shorthand reporter.

SEC. 3. The Board shall grant a certificate as a Federal certified shorthand reporter to any citizen of the United States, or to a person who has duly declared his intention of becoming a citizen, (a) who is over the age of 21 years, is of good moral character, and is a graduate of a high school or has had an equivalent education; and (b) who has, except as provided in section 5 of this act, successfully passed an examination in shorthand reporting under such rules and regulations as the Board may prescribe.

SEC. 4. The Board shall hold regular meetings for the examination of applicants for certificates under this act beginning on the third Monday of June and December of each year, and additional meetings at such times and places as it shall determine but not to exceed once every 3 months. The time and place of holding such examinations shall be advertised in a periodical to be selected by the Board at least 30 days prior to the date of each examination.

SEC. 5. The Board may, in its discretion, waive the examination provided for in this act and issue a certificate as a Federal certified shorthand reporter to any person submitting an application within 1 year after the appointment of the members of the Board (a) who possesses the qualifications set out in section 3, (b) who has been actively engaged in the practice of shorthand reporting for more than 5 years next preceding the date of enactment of this act, and (c) who is competent, in the opinion of the Board, to perform the duties of a Federal certified shorthand reporter.

SEC. 6. The Board may revoke any certificate issued under this act for unprofessional conduct or other sufficient cause after appropriate notice and opportunity for hearing. Said notice shall state the cause for such contemplated revocation, the time and place of such hearing, and shall be mailed to the registered address of the holder of such certificate at least 30 days before such hearing. Each member of the Board shall be empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records concerning any matter within the jurisdiction of the Board.

SEC. 7. Upon the filing of an application for an examination or a certificate under this act the Board shall charge a fee of $25. Should the applicant fail to pass the required examination he shall be entitled to take subsequent examinations after the expiration of 6 months and within 2 years without the payment of an additional fee.

SEC. 8. Each member of the Board shall receive $25 for each day actually employed in the discharge of his official duties and in addition thereto all necessary expenses incurred by them in executing their functions under this act. The compensation and expenses of the members of the Board and the expenses of the Board that are necessary to carry out the provisions of this act shall be paid from the fees collected under section 7: *Provided*, That such compensation and expenses shall not exceed the amount so collected as fees.

SEC. 9. On and after January 1, 1936, no person shall be employed for shorthand reporting in the judicial or executive branch of the Government unless said person is the holder of a certificate provided for in this act.

SEC. 10. When used in this act the term "shorthand reporting" means the making by use of symbols or abbreviations of a verbatim record of any oral statement or deposition, proceeding of any court, commission, coroner's inquest, grand jury, master, referee, convention, deliberative assembly, or proceedings of like character.

SEC. 11. If after January 1, 1936, any person shall represent himself as having received a certificate as provided for in this act or shall practice as a Federal certified shorthand reporter without having received such certificate, or after having his certificate revoked shall continue to practice as a Federal certified shorthand reporter, or shall use any title or abbreviation that indicates that the person using the same is a Federal certified shorthand reporter, or shall violate any of the provisions of this act, said person shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not more than $500.

Mr. CONNALLY. Mr. President, the consideration of this bill was objected to heretofore by the Senator from Tennessee [Mr. MCKELLAR]. I have offered an amendment which I have submitted to the Senator from Tennessee, and I hope he will agree to it.

Mr. MCKELLAR. Let the amendment be read. I was engaged in something else at the time it was submitted to me.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out sections 9 and 10, and in lieu thereof to insert:

SEC. 9. On and after January 1, 1936, no person shall be employed for shorthand reporting in the judicial or executive branches or by any independent agency of the Government unless said person is the holder of a certificate provided for in this act: *Provided*, That nothing in this act shall be construed to prohibit the temporary employment of a shorthand reporter not holding a certificate, until a reporter holding a certificate shall be available: *And provided further*, That the provisions of this act shall not apply to any person not employed for the shorthand reporting of such proceedings as are described and defined in section 10 hereof.

SEC. 10. When used in this act the term "shorthand reporting" means the making, by use of symbols or abbreviations, of a verbatim record of any oral testimony, proceeding, hearing, or trial before a court, commission, independent agency of the Government, master, referee, convention, deliberative assembly, or proceedings of like character.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FIRE LOSSES, STATE OF MINNESOTA

Mr. SHIPSTEAD. I ask unanimous consent to return to Senate bill 1448, Calendar No. 692, and for its consideration at this time.

The PRESIDING OFFICER. Is there objection to returning to Senate bill 1448?

There being no objection, the Senate proceeded to consider the bill (S. 1448) for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, in accordance with certifications of the Comptroller General of the United States under this act, to each claimant or its or his heirs, representatives, administrators, executors, successors, or assigns, the amount of whose loss, on account of fire originating from the operation of railroads by the United States in the State of Minnesota on or about October 12, 1918, has been determined by court proceedings or by the Director General of Railroads, the difference between the amount of such loss so determined and the amount actually paid by the United States to such claimant less any amount paid to such claimant by any fire-insurance company on account of such fire: *Provided*, That notwithstanding the terms and conditions of any policy of insurance, or the provisions of any law, no fire-insurance company, except farmers' mutual fire-insurance companies, shall have any rights in and to funds herein appropriated, the payments herein provided for, nor to any right of subrogation whatsoever. That said farmers' mutual fire-insurance companies shall be paid in the same manner and to the same extent as other claimants: *Provided further*, That no person who makes claim under this act by virtue of having acquired and succeeded to the rights of the original claimant through purchase and assignment, from said claimant of said claim, shall receive more than the amount actually paid for such claim and assignment.

SEC. 2. No payment under the provisions of this act shall be made unless an application therefor is filed with the Comptroller General of the United States by or on behalf of the person entitled to payment within 2 years after the date of the enactment of this act. The Comptroller General of the United States shall determine the amount due on any application, and the person entitled thereto under this act, and shall certify such determination to the Secretary of the Treasury, which determination shall be final. The Comptroller General shall promulgate rules and regulations as to the identity of claimants, the validity of assignments, and all other matters in connection with the determination of the amounts due and the persons to whom such amounts shall be paid under this act. The amount to be paid under this act shall be ascertained from the records of the Director General of Railroads, and such records shall be conclusive evidence of the amount of any such loss, the amount paid by the United States with respect thereto, and the amount paid by any insurance company with respect thereto. Such records shall also be conclusive evidence of the person entitled to payment, except that if in any judicial proceeding in which final judgment has been rendered the right of any person to succeed to the rights of the person who suffered the loss by the fire has been determined, such judgment shall be conclusive as to the heir, representative, administrator, executor, successor, or assignee, as the case may be, entitled to payment.

SEC. 3. The words "person" and "claimant", as used in the act, shall include an individual, two or more persons having a joint or common interest, company, partnership, and municipal and private corporations.

SEC. 4. Any person or group of persons individually or collectively who charge or collect, or attempt to charge or collect, either directly or indirectly, any fee or other compensation for assisting in any manner any person in obtaining the benefits of this act in excess of 10 percent of the amount of the claim actually paid under this act shall, upon conviction thereof, be subject to a fine of not more than $500 or imprisonment for not more than 1 year, or both.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF A COMMITTEE

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were ordered to be placed on the Executive Calendar.

The PRESIDING OFFICER (Mr. HAYDEN in the chair). The calendar is in order.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk proceeded to read sundry nominations of officers in the Regular Army.

Mr. SHEPPARD. I ask unanimous consent that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That completes the calendar.

RECESS

Mr. BARKLEY. I move that the Senate, under the order previously entered, take a recess until 11:30 o'clock a. m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 40 minutes p. m.) the Senate, in legislative session, under the order previously entered, took a recess until tomorrow, Tuesday, June 11, 1935, at 11:30 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 10 (legislative day of May 13), 1935

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

Capt. Clyde Lloyd Hyssong to Adjutant General's Department.

Capt. Francis Beeston Laurenson Myer to Quartermaster Corps.

Second Lt. Archibald William Lyon to Quartermaster Corps.

Second Lt. Erskine Clark to Coast Artillery Corps.

Second Lt. Victor Haller King to Coast Artillery Corps.

PROMOTIONS IN THE REGULAR ARMY

Henry Clay Coburn, Jr., to be colonel, Medical Corps.

Arnold Dwight Tuttle to be colonel, Medical Corps.

William Richard Dear to be colonel, Medical Corps.

Daniel Parker Card to be colonel, Medical Corps.

Ralph Harvard Goldthwaite to be colonel, Medical Corps.

Frederick Starr Wright to be colonel, Medical Corps.

Daniel Warwick Harmon to be colonel, Medical Corps.
James C. Magee to be colonel, Medical Corps.
Norman Lincoln McDiarmid to be colonel, Medical Corps.
Frank Henry Dixon to be lieutenant colonel, Medical Corps.
Robert DuRant Harden to be lieutenant colonel, Medical Corps.
David Durward Hogan to be lieutenant colonel, Medical Corps.
Donald William Forbes to be lieutenant colonel, Dental Corps.
H. Beecher Dierdorff to be captain, Dental Corps.

POSTMASTERS

COLORADO

Roy Maxwell, Fort Collins.
John T. Adkins, Holly.
George Cole, Monte Vista.
Arthur L. Carlson, Wellington.

CONNECTICUT

Edward C. Dillon, Elmwood.

INDIANA

Lester C. Leman, Bremen.
Edgar D. Logan, Goshen.
Maurice C. Goodwin, Newcastle.
Cova H. Wetzel, Rockport.
Grover T. Van Ness, Summitville.
George P. Marshall, Veterans' Administration Hospital.
John E. Robinson, Waynetown.
Lawrence J. Etnire, Williamsport.

MISSOURI

Noble C. Jessee, Stella.

NEVADA

Alfred Tamblyn, Ely.
Linwood W. Campbell, Pioche.

NEW HAMPSHIRE

Frank B. Gould, Bradford.
Hadley B. Worthen, Bristol.
Raymond J. Carr, Lancaster.
John J. Kirby, Milford.

OREGON

Victor P. Moses, Corvallis.
Nelson J. Nelson, Jr., Cottage Grove.
Lester L. Wimberly, Roseburg.
William C. Sorsby, Wauna.

VIRGINIA

Fletcher L. Elmore, Alberta.
William P. Bostick, Burkeville.
Thomas B. McCaleb, Covington.
Herbert H. Rhea, Damascus.
John A. Garland, Farmville.
Horace F. Crismond, Fredericksburg.
Walter S. Wilson, Raphine.

WASHINGTON

Jennie B. Simmons, Carnation.
Walter A. Gross, Enumclaw.
Marcus O. Nelsen, Kent.
Walfred Johnson, Lowell.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 10, 1935

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

"Give us this day our daily bread." Almighty God, in this petition of our Saviour's prayer, bread for the day was the great necessity with the swarming multitudes on the thoroughfares of earth. In this hour, the Lord grant this blessing upon the masses everywhere. May the heartsick be comforted, the ill-sorted drawn to Thee, and the famine of soul saved. Amid the opened-faced rejoicings of our avenues, sound forth Thy voice, "All ye that are heavy laden, come unto Me and I will give you rest." May we all come with our personal ideal of manhood, with our conceptions of the social order and industry. Keep us in the consciousness that we are the sons of God, possessing the sense of honor, of nobility, and moral excellence. Open the way between us and the higher way and let our pulses beat with the choral rapture of a better life. Through Christ. Amen.

The Journal of the proceedings of Friday, June 7, 1935, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 209. An act for the relief of Carmine Sforza;

S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; and

S. 2536. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

LEAVE TO ADDRESS THE HOUSE

Mr. PATMAN. Mr. Speaker, a special committee of the House has been making an investigation of chain stores. I had rather speak in the House than in the committee, and I would like to make a report of the committee to the House. It will only take me 30 minutes, and I think the Members of the House will be interested in it. Therefore I ask unanimous consent that I may address the House for 30 minutes.

The SPEAKER. Is there objection?

Mr. PALMISANO. Reserving the right to object, and I do not want to object, but I feel that the committee ought to be able to proceed to dispose of four or five bills which it has for consideration today. I think we can dispose of them in half an hour, and then if the gentleman from Texas wants to proceed I think there will be no objection to his having 30 minutes.

Mr. PATMAN. If we had any assurance that they would be disposed of within a reasonable time that would be all right. But if I do not get the time now I shall expect to get it on one of those bills.

Mr. PALMISANO. I am afraid if we start in on the proceedings of the Crime Committee the gentleman's 30 minutes will not cover it. There will be others who will want to address the House.

Mr. PATMAN. This is not a report of the Crime Committee, it is a special investigating committee on chain stores, unfair-trade practices, and so forth.

Mr. PALMISANO. Cannot the gentleman take his time after we dispose of these bills which the District Committee has for consideration today? There are only 4 or 5 of them.

Mr. PATMAN. If we had any assurance that they would be disposed of in a reasonable time. If I do not get the time now I shall expect to get it on the first bill that comes up, so that it will make very little difference whether I have it now or then.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BLANTON. Let me suggest to my colleague that he ask for 15 minutes, and then extend his remarks over the bills. The Chairman will give him 15 minutes. All of the Members of the House would like to hear the gentleman's remarks today. [Cries of "Regular order!"]

The SPEAKER. The regular order is, Is there objection?

Mr. TAYLOR of Colorado. Reserving the right to object, this is District of Columbia day. The committee has a number of bills to call up, and I feel that they have a right to proceed, at least for awhile, to consider those matters, and I therefore object.

CONDITION OF COAL FIELDS IN HARLAN COUNTY, KY.

Mr. MAY. Mr. Speaker, I will be a little more liberal than my colleague from Texas—I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, early in January I introduced in the House of Representatives a resolution relating to certain conditions that were set forth in the resolution, charged to exist in Harlan County, Ky., in connection with the operation of the coal mines in that county. That resolution was not reported by the Rules Committee, and was never acted upon; but the Governor of Kentucky did appoint a commission to make an investigation of the conditions in that county. That commission had numerous hearings at which counsel for both the United Mine Workers of America and the coal operators appeared and presented their various contentions. The commission met and filed a complete report on January 7, 1935. Without taking further time of the House I ask unanimous consent to include that report in my remarks at this point, and also ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD and to include therein the report to which he has referred. Is there objection?

There was no objection.

The report referred to is as follows:

REPORT OF GOVERNOR LAFFOON'S INVESTIGATION COMMISSION CONDEMNS OUTRAGES IN HARLAN COUNTY COAL FIELDS

FRANKFORT, KY., *June 7, 1935.*

Hon. RUBY LAFFOON,

Governor of Kentucky, Frankfort, Ky.

DEAR GOVERNOR LAFFOON: Your commission, appointed February 12, 1935, to investigate a state of unrest long existing in the southeastern Kentucky bituminous coal fields, desire to submit the following report:

The commission met at Frankfort, Ky., and organized on February 15, 1935, the following members being present: Adjt. Gen. Henry H. Denhardt (chairman), Rev. Adelphus Gilliam, Hon. Oren Coin, and Hon. Hugh B. Gregory.

The commission conducted hearings at Frankfort on March 7, 8, 9, and 11. On these dates the United Mine Workers of America presented their testimony in chief. On March 25, 26, 27, and 28 the coal operators of Harlan County took their evidence. Further evidence offered by both sides was heard May 6. On May 23, 24, and 25 the commission visited the coal mines and camps of Letcher, Harlan, and Bell Counties. Certain evidence was offered by both sides during this visit to these counties. The commission also interviewed a number of miners, mining operators, certain officials, and many other citizens. In all, several thousand pages of evidence were taken and the investigation was full and thorough.

The Honorable A. Floyd Byrd, of Lexington, Ky., represented the United Mine Workers of America during the various hearings, while the Honorable J. B. Snyder, Hon. William Sampson, Hon. B. B. Snyder, and Hon. George C. Ward, all of Harlan County, represented the coal operators.

The representatives of both sides to the controversy are honorable men of the highest type, and their treatment of the commission was all that could be expected. On our visit to the coal fields we could not have received more courteous, more kindly, or finer treatment anywhere than was given us by the leaders of both sides. It is hard for the members of your commission to understand why, with such splendid citizens heading and controlling their organizations, that conditions in Harlan County cannot be amicably settled to the satisfaction of both sides concerned. However, your commissioner regrets to have to report that conditions of the most serious nature exist in Harlan County which, if permitted to go on, will continue to reflect on the good name not only of Harlan County but of Kentucky as well.

It is almost unbelievable that anywhere in a free and democratic nation such as ours conditions can be found as bad as they are in Harlan County. There exists a virtual reign of terror, financed in general by a group of coal-mine operators in collusion with certain public officials; the vicitims of this reign of terror are the coal miners and their families.

We found conditions in Bell and Letcher Counties entirely the reverse of those in Harlan. We believe that these better conditions existing in the first two counties are due to a better understanding between employers and employee. In these counties freedom of speech and the right to peaceably assemble are recognized. There is no oppression from above; there is helpful cooperation and understanding between the operators and the miners. However, it is true that these outrageous conditions complained of in Harlan County do not exist in all the mines in that county. There are some operators in Harlan County who do not condone the practices indulged in by the Harlan County Coal Operators' Association. These operators who do not endorse the methods of the Harlan County Coal Operators' Association are fair and just to their men and treat them as human beings, yet while affording fair and decent treatment to their employees, these operators are operating their mines apparently as successfully as are other operators where ruthless oppression is the rule. The commission wishes to especially express its commendation of these operators who have the courage to operate their mines in a righteous manner when surrounded by so many operations where unjust and un-American methods are practiced.

In Harlan County we found a monsterlike reign of oppression, whose tentacles reached into the very foundation of the social structure and even into the church of God. Ministers of the gospel of the very highest standing complained to us of these conditions. Reprisals on the part of bankers, coal operators, and others of the wealthier class were practiced against churches whose ministers had the courage to criticize from the pulpit, the intolerable state of conditions that they of their knowledge know to exist in Harlan County. The miners themselves and their families generally hesitated to discuss their affairs with the commission. Free speech and the right of peaceable assemblage is scarcely tolerated. Those who attend meetings or voice any sentiment favorable to organized labor are promptly discharged and evicted from their homes. Many are beaten and mistreated in most unjust and un-American methods by some operators using certain so-called "peace officers" to carry out their desires.

There is no doubt that Theodore Middleton, sheriff of Harlan County, is in league with the operators and is using many of his deputies to carry out his purposes. This sheriff was elected by a big majority given him largely by the laboring people. It is not denied that the operators had a candidate opposing him. Several days prior to his election the sheriff and others captured a ballot box which had already been stuffed. This box contained some 650 ballots already marked against him, and upon his plea that National Guard troops be furnished to help "unstuff" many other of the stuffed ballot boxes in the county, which was done, he was elected by the people in one of the few fair elections ever held in the county. He had been chief of police of Harlan, and while so acting as chief of police he always permitted public speakings on the union's questions. He even roped off the streets for this purpose. He promised, if elected, that he would continue giving to the people the right of free speech and of free and lawful assemblage. So much did he oppose the ruthless, lawless methods of certain operators in having ballot boxes stuffed that he was present at least when one man was killed and others wounded over this lawless stuffing of a ballot box, and when the National Guard arrived he and some of his henchmen were engaged in an attack on a commissary in which dynamite, rifle, and other gun fire were used with serious effect to some of his misguided and trusting followers. The National Guard arrived in time to stop this battle and no doubt saved his life as well as the lives of others with him. Yet after all this he has proven faithless to the trust which the people reposed in him.

There are some faithful officials in Harlan County who are making an honest effort to do their duty. Your commission would especially commend and congratulate the circuit judge, the Honorable James M. Gilbert, and the county attorney, the Honorable Elom Middleton, for courage and fidelity to duty under very trying circumstances.

In one three-room building in the town of Cumberland we found huddled together 11 children and 4 adults forced from their company-owned homes because they dared to oppose the will of the operators. In this same building preparations were being made to receive another family of seven children and their parents who likewise had been forced to leave their home because the father had expressed himself favorably to the labor organization.

The proof shows that the homes of union miners and organizers were dynamited and fired into, that the United States flag was defiled in the presence of and with the consent of peace officers, who were sworn to uphold the principles for which it stands. These flags were on cars that were being used for organization purposes by the United Mine Workers. A deputy sheriff from an adjoining county entering Harlan County to make an arrest was disarmed, his gun was broken up with a sledge hammer at the direction of the sheriff, and he himself was ordered to leave the county by Sheriff Middleton in person.

The Honorable Charles Barnes, of Cincinnati and New York, chairman of the N. R. A. Bituminous Coal Labor Board for District No. 1 South, told your commission under oath that his board had been unable to obtain the least semblance of cooperation from most of the large Harlan County coal operators. He stated that the provisions of the N. R. A. had been ignored by almost every mine operator in the county. He further stated that the number of complaints of violations of the N. R. A. in Harlan County far exceeded the number of complaints from any other county under the jurisdiction of the two boards of which he was chairman. Harlan County, he said, is the "sore spot" in the entire district, which, he testified, included a number of States. Mr. Barnes testified that the charges against the Harlan County operators consist of discrimination against the men, intimidation, lack of checkweighmen; the discharging of a number of men for no other reason than for union activities. Violation of code hours and wages were numerous and general. He stated that every mine in the Harlan district, except those in contractual relations with the union, violated the code regulations.

Mr. Barnes testified that he had received 128 sworn affidavits supporting complaints against different mines in Harlan County concerning the beating up of men by deputy sheriffs, and also for other causes. He testified that a number of operators were summoned as witnesses before the board, of which Mr. Barnes was chairman, but that only one operator showed any respect whatsoever for the board. Sheriff Middleton was summoned to appear before the board, but the sheriff ignored the summons.

Middleton told Mr. Barnes later that "the operators are not going to have anybody tell them how to run their business", and also that he would not allow labor agitators to stir up matters. Middleton stated to Mr. Barnes that his (the sheriff's) office was going to aid the operators in their endeavors to keep the United Mine Workers of America out of Harlan.

Mr. Barnes testified that "There isn't a county in the whole United States, that is, south of Indiana, and east of Indiana, where I have not had better cooperation." He testified that Mingo County, W. Va., was in good shape. Mr. Barnes further stated, "You will have to have a new sheriff. You can't help but have a new sheriff. I don't think you can do it (remedy conditions) any other way. He (the sheriff) is tied in with a gang of some of the toughest kind of deputies. He has also gotten tied in with some honorable gentlemen. The only objection I have is that men are not free to meet in Harlan County—not free to assemble and become anything they want to become—United Mine Workers of America, company union, or anything that they want, no religion, no lodge, no organization. They are not free. The minute they attempt to assemble, on the slightest suspicion that the United Mine Workers of America have something to do with it, that ends it. He (Middleton) is tied to honorable men above and to a lot of other kind of men below, and between the two he cannot escape."

The evidence shows that the miners' wages are cut for additional school costs, such as longer terms, additional teachers, etc.; but it also appears that the operators have much to say as to the selection of the teachers, who naturally are friendly. The men are also out for the expense of company doctors. Of course, the companies select these, who are also friendly.

The only newspaper in the county is owned by a gentleman who is the enthusiastic friend and supporter of the operators. Even the choice of banks for their savings and of undertaker for the burials of their men are handled to the satisfaction of the operators.

Many cities and towns in Harlan County are not incorporated, as in other counties, because the operators prefer to maintain their own government rather than give their men the right to participate and elect their officials, police officers, etc., as they do in Jenkins, Letchter County, and in many other places where the rights of the people are respected. Thus it will be seen that in Harlan County, from the cradle to the grave, the things most vitally affecting the lives of the people are under the friendly control and supervision of the operators.

On the other hand, the mine operators, or rather those who appeared before the commission as their representatives, accuse the United Mine Workers of America of having perpetrated outrages against nonunion miners, of having imported into Harlan County certain individuals for the purpose of stirring up dissatisfaction and crippling the coal industry; however, when quite a number of these so-called "outsiders" were arrested in Cumberland and taken to jail and kept there for several days without being given an opportunity to make bond, and all without rime, right, or reason, except that they belonged to the union, and without any warrants being issued against them, not a single one of them, on this occasion or any other, was found to be armed. Later, warrants were sworn out by the sheriff himself, and all but one of the warrants were dismissed without trial.

Your commission fully recognized the fact that the southeastern Kentucky bituminous-coal fields are among the most extensive and the wealthiest in the world, and that the operators who have heavily invested their capital in this field have a right to lawful protection and a fair profit on their investment. It also recognizes the fact that the United Mine Workers of America or any similar organization has the constitutional right, so long as it remains in the bounds of legal propriety and reason, to organize, to speak, and to conduct meetings wherever and whenever it may desire.

It appears that the principal cause of existing conditions in Harlan County is the desire of the mine operators to amass for themselves fortunes through the oppression of their laborers, which they do through the sheriff's office. Mine owners have a right to have their property properly protected, but these mine guards should not be made use of away from the property of their employers. They should not be gunmen or ex-convicts; they should not be organized into flying squadrons to terrorize and intimidate people anywhere in the county wherever the sheriff may direct.

Your commission believes that before conditions can be bettered in Harlan County that it is absolutely essential that the operators and miners come to a better understanding, one with another, and that the operators come to fully recognize the fact that the miners they employ are human beings, with equal rights under the law with themselves, and that their employees are not mere tools to be used by them as they may see fit. The present system of deputized mine guards and one-sided administration of the law must be abolished. The law should be enforced as strictly against the operators as it is now being enforced only against the miners. Free and honest elections are also a necessity, and the "stuffing" of ballot boxes, the voting of ballots in the names of discharged employees, in the names of men that are dead or else never existed, these ballots being voted days in advance of elections, should be stopped. All of this is being done now; and in their prime when the list of names ran out, these election experts even voted trees, flowers, the beasts of the field, and the fowls of the air.

The commission recommends to you that Sheriff Middleton be removed from office. This may accomplish little, as some other sheriff will likely be appointed who will indulge in the same methods, but at any rate, it would be food for thought for future sheriffs.

It is further recommended that a commission similar to this be appointed and authorized to fully investigate any further outrages committed or permitted by sheriffs, deputies, other officials, or persons.

It is also recommended that State police officers be used to enforce the law and give proper protection to the people in the event the local officials do not see fit to clean house themselves. In fact, one mine operator who was attempting to give his men a square deal, requested the use of the State police if he could not keep his own deputies. This man's house had been dynamited, presumably by men who did not like his method of fair dealing, and who had been notified by Sheriff Middleton that he was, in the future, going to furnish only deputies of his (the sheriff's) own choosing.

In conclusion, your commission desires to report that after mature and careful deliberation its members unanimously agree that charges made in writing against the Harlan coal operators and filed with the commission by Mr. William Turnblazer, president of district no. 19, and Mr. Sam Caddy, president of district no. 30, of United Mine Workers of America, have been successfully substantiated by competent evidence except that it was not shown that the number of deputy sheriffs and other peace officers in Harlan County was as great as 300.

Respectfully submitted.

HENRY H. DENHARDT, *Chairman*,
ADOLPHUS GILLIAM,
OREN COIN,
HUGH S. GREGORY,
Investigation Commission.

Mr. MAY. Mr. Speaker, I do not call the attention of the House of Representatives to this report for the mere purpose of advertising the misconduct of any business group of Harlan County, Ky., but for two things. The report shows that in the two adjoining counties of Bell and Letcher peace, quietude, and harmony exists between coal operators and coal miners—between employer and employee. Letcher County is one of the counties of my district joining Harlan County. It is a large coal-producing county, and has in it some of the finest and best mining towns in the State. Thousands and thousands of men work in the mines of Letcher County, and I desire to point out that Letcher and the other seven counties of my district are solidly organized by the United Mine Workers of America. Harlan County is only partially organized, and that portion of it not organized—and where union labor is not recognized and where the principles of collective bargaining and free speech are denied—is aptly described by the Governor's commission in these words:

> It is almost unbelievable that anywhere in a free and democratic Nation, such as ours, conditions can be found as bad as they are in Harlan County. There exists a virtual reign of terror, financed in general by a group of coal-mine operators in collusion with certain public officials; the victims of this reign of terror are the coal miners and their families.

That is the condition existing where coal operators refuse to recognize the fundamental principles that their employees are entitled to live and to the pursuit of happiness and the enjoyment of the fruits of their labor. On the other hand, in every county of my district where union labor has contracted and bargained collectively with the operators, freedom of speech and the right to peaceable assembly are recognized.

The conditions existing in my district are aptly described by the Governor's commission in these words:

> In these counties freedom of speech and the right to peaceably assemble are recognized. There is no oppression from above; there is helpful cooperation and understanding between the operators and the miners.

These statements from an impartial commission, made after long study, full hearings, and careful examination of thousands of pages of sworn testimony, vindicate fully and unquestionably every charge made by me in the resolution which I introduced in this House last January. It vindicates the United Mine Workers and establishes the fact that where the operators are reasonable and fair, as in my district, there is no trouble; and this, to my mind, conclusively proves that the miners are not at fault in Harlan County.

New legislation is nearly always the result of developing new conditions and resultant public opinion; and with the conditions of the coal industry, one of the great basic industries of this country, as they now are and as they have been

for the past 4 or 5 years, the imminent need of new, constructive legislation looking to the protection, not only to the rights of property of the owners and operators of the coal industry, but to the welfare and rights of the workingman as well, are imperative; and we are approaching the day when we will have before this body for consideration two measures, one of which has already passed the Senate and pending before the House of Representatives, the Wagner-Connery labor relations bill, and the Guffey coal bill; and, in my judgment, the enactment of these measures into law will bring to the coal industry in this country a new freedom and a new prosperity. [Applause.] It will bring to the man engaged in the mining of coal steadier employment and better wages, and in this belief I am persuaded that the earlier these measures can be enacted into law and put into execution the sooner we will see universal peace and prosperity throughout the bituminous-coal fields.

In order that the coal miners of eastern Kentucky may not be held up to the outside world as lawbreakers and disturbers of the peace, I have presented to you these facts.

An unenlightened public opinion based upon a false premise is dangerous, but enlightened public opinion is always a wholesome force. George Washington put it in these words:

> In proportion as the structure of a government gives force to public opinion, it is essential that public opinion should be enlightened.

So long as the coal-mining industry is controlled and operated by such able, fair-minded, and conscientious men as now control it, and so long as the laborers engaged in that industry in my district have sane and sound patriotic leadership as they now have, there will be no trouble in the mining fields of eastern Kentucky, and I shall hope to see the day when the few selfish, avaricious operators that have dominated socially and politically that small portion of Harlan County condemned in the report of the Governor's commission shall cease to dominate. [Applause.]

THE SOAP INDUSTRY—COCONUT OIL

Mr. STACK. Mr. Speaker, I renew my request of last Friday to address the House for 3 minutes on proposed legislation that vitally affects my district and the entire soap industry of the United States.

The SPEAKER. Is there objection?

Mr. TAYLOR of Colorado. Mr. Speaker, I reserve the right to object. Will the gentleman limit his remarks to 3 minutes?

Mr. STACK. Yes.

Mr. TAYLOR of Colorado. Very well.

The SPEAKER. Is there objection?

There was no objection.

Mr. STACK. Mr. Speaker, on May 10, 1935, my colleague, Mr. DOCKWEILER, introduced in the House H. R. 8000, a bill to repeal the tax on coconut oil. I am reliably informed that if this bill is passed it will affect 80,000 soap workers in the United States. In my district, if the bill is passed, several additional employees will be hired.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes.

Mr. CHRISTIANSON. How many farmers in the United States will it affect?

Mr. DOCKWEILER. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes, with pleasure.

Mr. DOCKWEILER. I think I can answer the gentleman from Minnesota. The particular bill referred to by the gentleman from Pennsylvania [Mr. STACK], H. R. 8000, does not repeal the tax on all coconut oil, but only on coconut oil used in the manufacture of soap. It does not affect the oil that goes into the manufacture of edible products.

Mr. CHRISTIANSON. It would interfere with the producers of cottonseed oil.

Mr. DOCKWEILER. Cottonseed oil has never been used in the manufacture of soap. It is entirely too expensive to be so used.

Mr. CHRISTIANSON. I have not read the gentleman's bill, but I intend to.

Mr. SISSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. STACK] be permitted to proceed for 2 additional minutes in order that a question or two may be asked of him. Members of the Committee on Ways and Means and of the Appropriations Committee who are familiar with the bill are present.

The SPEAKER. The gentleman from New York asks unanimous consent that the time of the gentleman from Pennsylvania be extended 2 minutes. Is there objection?

There was no objection.

Mr. SISSON. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes; I shall be glad to yield.

Mr. SISSON. As I understand, what the gentleman advocates is the passage of a bill which removes the 3 cents tax from coconut oil which has been so processed as to render it unfit to be used in butter substitutes or in any article of food. Is not that it?

Mr. STACK. Yes; that is correct.

Mr. SISSON. In the gentleman's opinion that would probably not affect the dairy industries at all.

Mr. STACK. As far as I know it would not.

Mr. SISSON. I may say to the gentleman, that does affect several manufacturing industries in my district. I feel I have a right to speak for the dairy industry, and I do not believe it injuriously affects the dairy industry, and that it would greatly add to employment if the tax were removed.

Mr. CITRON. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes; certainly.

Mr. CITRON. Is it not true that coconut oil is used mostly in the manufacture of soap, and that no other product grown in this country can be so used, nor can they use any substitute, so that if the tax is repealed it will help the soap manufacturers and laborers, because they will be able to reduce the selling price and sell more of the products? I am informed also that the farmers are not affected, because their products are not used for this particular soap, which can only use coconut oil.

Mr. STACK. That is my understanding. However, my primary interest in it is this. The vice chairman of a soap industry in my own district tells me that if this bill be made a law many additional employees would go to work in my district, without P. W. A. funds but with private funds. He has written a letter on the subject and explained why the bill should be passed. I ask unanimous consent that his letter be inserted in the RECORD at this point.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. STACK. Yes.

Mr. TRUAX. The bill does affect certain classes of farmers, namely, the producers of grease, fats, and oils; and this bill is opposed by all of the major farm organizations of the country.

Mrs. KAHN. Will the gentleman yield?

Mr. STACK. I yield with pleasure to the gentlewoman from California.

Mrs. KAHN. Oils that would be produced by farmers could not possibly take the place of the coconut oil in soaps. This is something that only coconut oil can be used for. The manufacture of fine soaps has fallen off tremendously since this law went into effect.

The SPEAKER. The time of the gentleman from Pennsylvania has again expired.

Mr. STACK. Mr. Speaker, I ask unanimous consent to insert at this point a letter from the vice president of the soap industry in my district, which explains the entire bill and which I am satisfied every Member would like to read; and also in connection therewith a short message from the President of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The matter referred to is as follows:

FELS & Co.,
Philadelphia, May 27, 1935.

Hon. MICHAEL J. STACK,
House of Representatives, Washington, D. C.

DEAR SIR: Your prompt response to my letter of May 22 regarding H. R. 8000 is much appreciated. I was unable, however, to call on you on Saturday as you so kindly suggested. Will be very glad to do so at a future date.

To further emphasize in your mind the need for favorable consideration of H. R. 8000 I am giving below some of the reasons why:

The enactment of H. R. 8000 will permit the tax-free usage of Philippine coconut oil in soap, rubber tires, the tanning of leather, and other industrial usage.

Since the levying of the excise tax there has occurred a decrease in the consumption of crude coconut oil such as is employed mainly for technical usage, and an increase in the consumption of refined coconut oil such as is employed for edible usage. The industrial users find it difficult to pay the tax, whereas those making edible products do not. The enactment of H. R. 8000 and the removal of the excise tax on Philippine oil for technical use will enable industrial users to pay more for and use more crude coconut oil, which will increase the price of copra (the dried meat of the coconut) to the Philippine copra farmer.

The 3 cents per pound excise tax on coconut oil amounts to 1.9 cents per pound on copra, or to $38 per short ton of copra. The Philippine coconut farmer now receives only about 7 pesos per 100 kilos for his copra, or 1.6 cents per pound on the basis of American dollars. The recent Sakdalista outbreaks occurred in two copra-producing Provinces and have been ascribed by Filipino leaders to poor economic conditions engendered by the coconut-oil excise tax. The price of copra in the Philippine Islands is now about one-half of the normal price which existed in such years as 1926.

The enactment of H. R. 8000 would have a tendency to lower the net cost of coconut oil to industrial users and to increase the net cost to edible-products manufacturers, but the major benefit would go to Philippine copra producers. If only one-half of the benefit from the removal of the tax accrued to them, it would increase their income from their copra by over 50 percent.

The enactment of H. R. 8000 would not only serve to improve economic conditions in the Philippines but would lighten a heavy burden on hospitals, schools, institutions, hotels, office buildings, and other large users of soap. Since coconut oil is the principal oil ingredient used in the lower-priced grades of white laundry soap, it would assist families having low incomes and lessen the cost of relief work. It would greatly assist the smaller manufacturers of technical products, such as soap, etc., many of whom find it impossible to operate at a profit because of high raw-material costs and decreased volume of business.

Prior to the levying of the excise tax 70 percent of all coconut-oil imports went into technical usage, where it is required because of its lauric-acid content. Because domestic oils and fats do not contain lauric acid, the tax-free usage of Philippine coconut oil for technical usage will not injure the welfare of domestic oil and fat producers.

The enactment of H. R. 8000 would occasion the Federal Government no loss of revenue because the proceeds of the tax on coconut oil are paid to the Philippine treasury, which cannot, under the law, return any part of same to the copra farmers. Filipino Government officials are greatly concerned because of the depressed economic condition of the farmers in the coconut-producing areas and have asked for the entire removal of the tax.

Enactment of H. R. 8000 will assist American export trade.

President Roosevelt, under date of May 28, 1934, requested reconsideration of the excise tax on Philippine coconut oil by Congress, giving three reasons for his request.

First, it is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

Second, enforcement of this provision at this time will produce a serious condition among many thousands of families in the Philippine Islands.

Third, no effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter and animal-fat industry in the United States.

H. R. 8000 offers the compromise discussed in the President's third reason for requesting reconsideration of the tax.

We trust this bill will receive your favorable support.

Respectfully yours,

A. ROY ROBSON, *Vice President.*

[H. Doc. No. 388, 73d Cong., 2d sess.]

COCONUT OIL IMPORTATION FROM THE PHILIPPINE ISLANDS

(Message from the President of the United States transmitting a request for reconsideration of that provision of the revenue act, which relates to coconut oil)

To the Congress of the United States:

Early in the present session of the Congress the Philippine Independence Act was passed. This act provided that after the inauguration of the new interim or commonwealth form of government of the Philippine Islands trade relations between the United States and the Philippine Islands shall be as now provided by law. Certain exceptions, however, were made. One of these exceptions required levying on all coconut oil coming into the United States from the Philippine Islands in any calendar year in excess of 448,000,000 pounds, the same rates of duty now collected by the United States on coconut oil imported from foreign countries.

It is, of course, wholly clear that the intent of the Congress by this provision was to exempt from import duty 448,000,000 pounds of coconut oil from the Philippines.

Later in the present session, the Congress in the revenue act imposed a 3-cent-per-pound processing tax on coconut oil from the Philippines. This action was of course directly contrary to the intent of the provision in the independence act cited above.

During this same period, the people of the Philippine Islands through their legislature accepted the provisions of the Independence Act on May 1, 1934.

There are three reasons why I request reconsideration by the Congress of the provision for a 3-cent per pound processing tax.

First, it is a withdrawal of an offer made by the Congress of the United States to the people of the Philippine Islands.

Second, enforcement of this provision at this time will produce a serious condition among many thousands of families in the Philippine Islands.

Third, no effort has been made to work out some form of compromise which would be less unjust to the Philippine people and at the same time attain, even if more slowly, the object of helping the butter and animal-fat industry in the United States.

I, therefore, request reconsideration of that provision of the revenue act which relates to coconut oil in order that the subject may be studied further between now and next January, and in order that the spirit and intent of the Independence Act be more closely followed.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 28, 1934.*

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. PALMISANO. Reserving the right to object, I would like to ask the gentleman from West Virginia not to insist on asking for time at this time. I feel that if we begin to extend time to Members to address the House, we will never proceed to take up the District legislation. As I stated before, we have four or five bills which I am satisfied we can dispose of within a half hour. Then we can take up some bill that will be debatable, and then I will give all the time necessary to the Members.

Mr. RANKIN. Reserving the right to object, I should like to propound an inquiry to the Chairman of the Committee on the District of Columbia. The gentleman seems to be in a great hurry to get this legislation passed, and probably he is right, but we have a condition in the District of Columbia today that in my opinion is a disgrace to the District. Right in front of this Capitol the striking taxicab men, who seem to be determined to hold up the Shriners who are here, are stopping taxicabs and making passengers get out of them. Why does not the Committee on the District of Columbia take up that proposition and let us put a stop to it or go into it and see what is wrong while we can do it? [Applause.] If the committee is in a hurry to do something that will redound to the best interest of the District and the country, there is the chance. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. TAYLOR of Colorado. Mr. Speaker, I object.

Mr. BLANTON. Oh, do not object; let him get it out of his system.

Mr. WOOD. Mr. Speaker, reserving the right to object, in connection with the statement just made by my colleague from Mississippi [Mr. RANKIN], I desire to observe that these striking taxicab drivers are not members of any union organization.

Mr. RANKIN. I agree with that. I do not believe any reputable union would tolerate such misconduct under the circumstances.

Mr. WOOD. I just want to make that statement so that there will be no misunderstanding about it.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia [Mr. RANDOLPH]?

Mr. TAYLOR of Colorado. Mr. Speaker, I object.

DEPORTATION OF ALIEN CRIMINALS

Mrs. O'DAY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a radio speech which I gave on Friday evening.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. O'DAY. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I include the following radio address delivered by me last Friday evening:

We are told that this Seventy-fourth Congress receives more mail than any other Congress in the history of our country, and I am also told that New York's other Congressman at Large and I receive the second largest mail that comes to the House of Representatives.

A surprisingly large number of the letters received pertain to aliens—their status, their entry, legal and illegal, and their deportation; and the research necessitated for the answering of these letters has brought to light some astonishing situations.

The scrambled state of our present immigration and deportation laws is the answer to the oft-repeated question, "Why cannot we get rid of the alien criminal?" The Department of Labor, as all other departments of Government, must operate strictly within the law, and it is powerless under the hodge-podge of contradictory amendments to the present law to operate effectively.

There are at present certain mandatory laws requiring the deportation of alien criminals and of all those who have entered the country illegally.

At present violators of Federal narcotic acts are deportable, but violators of State narcotic acts are not.

Under the present law the alien who is smuggled into the country is deportable. The alien who smuggles him in is not.

An alien criminal can now be deported only if he has been convicted of a crime involving moral turpitude committed within 5 years after his admission to the United States and sentenced to imprisonment for 1 year or longer, or if his record shows two such convictions and sentences subsequent to February 5, 1917.

Under the present law any judge who sentences an alien criminal to a term of imprisonment calling for deportation may, by a simple recommendation to the Secretary of Labor within 30 days after the date of sentence, absolutely prevent deportation. The Secretary has no option in the matter.

While any police-court judge or magistrate who has authority to sentence a criminal for a year or more may in his uncontrolled discretion prevent the deportation of that criminal, there is no power in the United States, not even that of the President, to avert the deportation of an alien who is not a criminal.

Here are the records, for example, of certain alien criminals who are not deportable under our present scrambled laws:

W. L.: Thirty years old; in country 27 years; has been arrested 16 times for crimes, including burglary, abduction, felonious assault, robbery, homicide, grand larceny, bribery, etc.; has spent 5 years 6 months in prison.

N. F.: Fifty years old; 16 years in the country; has been arrested five times and spent 9 years 7 months and 2 days in prison.

C. B.: Fifty-four years old; 27 years in the country; has been arrested eight times and has served 10 years 3 months in prison.

These men cannot legally be deported.

On the other hand is the case of two sisters, 9 and 10, natives of Canada, brought to this country when infants illegally by their mother, who died a year later. The children's father, who has since been deported, brought them to Lebanon, Pa., to the home of their uncle and aunt, who have cared for the motherless little girls as though they were their own, and wish to adopt them. Under our present laws, the deportation of these children is required.

A prosperous farmer—a naturalized citizen—owns a thousand-acre farm just this side of the Canadian border. A son, who was 21 when his father became a citizen, and who has not yet taken out his citizenship papers, walked across the road into Canada to make a call. Returning, he took a short cut across fields to his home. By this act he is guilty of illegal entrance, and his deportation is required.

Our present immigration laws are not in conformity with modern ideas—they are making it impossible to deal in a humane manner with many of the cases that come before the Department, and they prevent the deportation of alien criminals and racketeers who are a menace to law-abiding American citizens.

DISTRICT OF COLUMBIA LEGISLATION

FEES CHARGED BY RECORDER OF DEEDS IN THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 410) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes.

The Clerk read the title of the bill.

Mr. PATMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PATMAN. Is this a Union Calendar bill?

The SPEAKER. Yes; the bill is on the Union Calendar.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. PATMAN. Reserving the right to object, this is a Union Calendar bill. I should like to be heard on it, and I think we should go into the Committee of the Whole; and, therefore, as much as I dislike to object to the request of the gentleman, I shall be compelled to do so.

The SPEAKER. The gentleman from Texas objects.

Mr. PALMISANO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union to consider the bill (S. 410), and pending that motion I ask unanimous consent that general debate be limited to 30 minutes on each side, the time to be controlled one-half by myself and one-half by the gentleman from Maine [Mr. BREWSTER].

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. PATMAN. Reserving the right to object, I would like to have 30 minutes. If the gentleman will agree to give me 30 minutes, I will be glad to consent.

Mr. PALMISANO. I hope the gentleman will not insist on 30 minutes.

Mr. BREWSTER. Mr. Speaker, may I inquire whether the time may not be extended to 1 hour on each side?

Mr. PATMAN. With the understanding that I have 30 minutes, I shall not object.

Mr. PALMISANO. Mr. Speaker, as far as I am concerned, I do not think I care to use any time myself.

Mr. MICHENER. Mr. Speaker, regular order.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. PATMAN. I shall be compelled to object, Mr. Speaker, unless the gentleman will give me time. Will the gentleman give me time?

I object, Mr. Speaker.

The SPEAKER. The gentleman from Texas [Mr. PATMAN] objects.

The question is on the motion of the gentleman from Maryland.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 410) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes, with Mr. WARREN in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 552 of the Code of Law for the District of Columbia, as amended, is amended to read as follows:

"SEC. 552. Fees: The legal fees for services of the recorder shall be as follows:

"For filing, recording, and indexing, or for making certified copy of any instrument containing 200 words or less, $1, and 20 cents for each additional hundred words, to be collected at the time of filing, or when the copy is made.

"For each certificate and seal, 50 cents.

"For searching records extending back 2 years or less next preceding current date, 50 cents, and 15 cents for each additional year, to be paid by the party for whom the search may be made.

"For recording a plat or survey, 20 cents for each course such survey may contain.

"For recording a town plat, 25 cents for each lot such plat may contain.

"For taking any acknowledgment, 50 cents.

"For filing and indexing a bill of sale of chattels, or a mortgage or deed of trust thereof, or a conditional bill of sale of chattels or any release or satisfaction of any such, $1.50.

"For filing and indexing any other paper required by law to be filed in his office, 50 cents.

"In addition to the fees herein required, all corporations hereafter incorporated in the District of Columbia shall pay to the recorder of deeds at the time of the filing of the certificate of incorporation 50 cents on each thousand dollars of the amount of capital stock of the corporation as set forth in its said certificate: *Provided, however*, That the fee so paid shall not be less than $50: *Provided further*, That the recorder of deeds shall not file or record any certificate of organization of any incorporation until it has been proved to his satisfaction that all the capital stock of said company has been subscribed for in good faith, and not less than 10 percent of the par value of the stock has been actually paid in cash, and the money derived therefrom is then in the possession of the person named as the first board of trustees."

Mr. PALMISANO. Mr. Chairman, this bill permits the recorder of deeds to increase the fees for recording legal papers. The present law has been in existence for the past 30 years. The office of the recorder of deeds is not self-sustaining. The purpose of this bill is to make this office self-sustaining out of the fees it collects.

Mr. Chairman, I reserve the balance of my time.

Mr. PATMAN. Mr. Chairman, I ask for recognition in opposition to the bill. I asked for 30 minutes and it was refused. I now have an hour, but I do not expect to take the hour unless I need to.

SPECIAL COMMITTEE ON CHAIN STORES

Mr. Chairman, 2 or 3 weeks ago a special committee was appointed by the Speaker of the House. I was appointed chairman after the gentleman from Missouri [Mr. COCHRAN] resigned, being unable to serve on account of illness. On the committee are the gentleman from New York, Mr. SOL BLOOM; the gentleman from Illinois, Mr. LUCAS; the gentleman from California, Mr. DOCKWEILER; the gentleman from New Jersey, Mr. MCLEAN; the gentleman from New York, Mr. COLE; and the gentleman from Wisconsin, Mr. BOILEAU. The object of the investigation is to determine whether or not there is a superlobby here in Washington organized by the American Retail Federation for the purpose of unduly influencing legislation. Mr. C. O. Sherrill is the president of the American Retail Federation.

RESOLUTION AMENDED

The committee asked for an amendment to that resolution to provide that the committee should have the authority to investigate trade practices of individuals, partnerships and corporations engaged in big-scale buying or selling of articles at wholesale or retail, and their associations. The amendment was approved by the Rules Committee and adopted by the House.

NATIONAL CHAIN-STORE ASSOCIATION

The committee had a 2-day hearing last week. It was discovered that there was organized in this country in 1928, what was known as the "National Chain Store Association" which was composed of chain-store organizations only; independents could not join. The object and purpose of that association was to try to sell the chain-store idea and theory to the American people in the hope that there would be no discriminatory legislation against chain stores, and no effort made to stop them in the various States.

Mr. Morrill, who is the president of the Kroger Grocery Co., of Cincinnati, was the president of the National Chain Store Association throughout its existence from 1928 to 1932, inclusive. They were not successful in selling to the American people the chain-store idea. They could not put it over for some reason.

NEW ORGANIZATION

They disbanded very quietly and then Mr. Albert H. Morrill, the head of this $25,000,000 Kroger concern which has more than 4,500 units in the United States and which has the controlling interest in the Piggly Wiggly organization with 2,000 more units, and who owns very little stock in Kroger but who receives a $77,000 salary annually, commenced to organize another association, the object and purpose being to sell to the American people the chain-store theory in the hope that the people would not take any action against them in the various States. This new organization is the interesting part of this investigation. Mr. Morrill, who is the $77,000-a-year president of this $25,000,000 chain-store concern, gets up a plan of his own. This plan he submits to the Safeway, which is the J. P. Morgan-owned chain store concern in America. He also submitted it to the other large chain-store operators in order that they might get together and have a secret fund, to have these different chain-store operators contribute large amounts to that fund, the money to be used for the purpose that Mr. Morrill wanted it be used for and no questions asked. I think it would be rather interesting for me to read to you a letter on the stationery of the Kroger Grocery & Baking Co., from the executive office in Cincinnati.

The letter reads as follows:

CORNSTALK BRIGADE

OFFICE OF THE PRESIDENT,
THE KROGER GROCERY & BAKING CO.,
EXECUTIVE OFFICES,
Cincinnati, Ohio.

I know from personal experience that there is no group as influential with Congress and with State legislatures as the farm bloc. No legislation can be passed with the opposition of what we call the "cornstalk brigade." The sales tax was defeated in Congress last June solely by the activities of the farm bloc.

With these facts in mind, for more than a year I have been endeavoring to find and gain a good access to the machinery which exercises this influence, and what I say herein can be taken as facts which have been checked and rechecked.

The American Farm Bureau Federation is the largest, most influential, and representative farm organization. It has effective organizations in all but four States—Florida, Georgia, Oklahoma, and Mississippi. Its membership numbers over 3,000,000 and it has 20,000 members alone in the Ohio group. Incidentally, the Republican candidate for Lieutenant Governor in Ohio is president of the Ohio group. The organization and its officers are intelligent, high class, and reliable and have been in existence since 1918. The federation works closely with the national Grange, the farmers' fraternal order which has a large membership.

INFLUENCE FOR CHAINS

The support of the federation, obtained by bringing to its members the virtues of the chain and the evils of antichain legislation, in my opinion, would be the strongest possible influence for the chain directly and indirectly. It have proven so in other lines, noticeably in the case of the Asphalt Institute.

PLAN ENCLOSED

The enclosure sets up the plan which has been formulated by a representative of the federation, a former executive of the federation, and myself. It leads directly into the farmers' local meetings and from there to the key men and officials, in a way that I believe will solidify a powerful, organized group in our favor and will largely influence public opinion.

CHAIN SUPPORT MUST BE KEPT SECRET

On the enclosed sheets, you will find an estimate of the probable cost of this work for each month of 1 year. The fact that this work is financed by the chains must not be known and will you please keep the contents of this communication strictly confidential. The proposed organization and its name would have no open connection with any chain and it should clear through one man.

KROGER PLEDGES $8,400 ANNUALLY

I propose to accept the entire responsibility for the collection and distribution of funds and supervision of the work and your cooperation and contribution will have to depend entirely on what confidence you have in me. What I ask is that you commit your company to forward to me the sum of —— each month for 12 months, beginning October 1. Without undertaking to apportion the cost with entire fairness, Kroger will commit itself for a contribution of $700 per month. No charge will be made except for the expenses of the farm organization. At the end of 12 months, financial report will be made by myself and refund made for any excess of receipts over expenditures.

In my opinion, the proposed activity is the most practical, effective, and economical method thus far suggested for affecting public opinion and through it influencing legislation. The time for getting into action is very short. May I ask you for an early decision?

Sincerely yours,

ALBERT H. MORRILL.

The following is the statement Mr. Morrill enclosed with his letter:

THE RURAL SITUATION

Low commodity prices, high taxes, restricted credit, farm foreclosures, etc., have seriously disturbed rural America.

Farmers are becoming more and more receptive to any program or movement that offers the faintest promise of financial relief. radicalism, socialism, and communistic doctrines, formerly never given the slightest consideration, now receive serious attention.

As has been aptly said, "Abnormal conditions cause normal people to do abnormal things." Merely suggest to a group of farmers that a certain factor is contributing to the rural depression and the farmers are thoroughly aroused.

ATTACKS ON CHAIN STORES

Charges that chain stores are partly responsible for the rural distress, or are aggravating it, are being viciously scattered through rural America. That these charges are false is not the point. A farmer threatened with loss of farm and home cannot be expected to analyze clearly.

And if farmers are not given the true facts regarding chain stores, they cannot be blamed for being misled into demanding the passage of legislation inimical to chain stores, particularly excessive tax measures, in the hope that it will help reduce farm taxes for them.

THE POWERFUL FARM BLOCS

An important aspect of the rural situation is the remarkable organization both nationally and in the various States.

During the recent session in Congress at Washington the farm bloc defeated every measure which did not meet with its approval, including the general sales tax bill. With every proposed measure the question was: What does the farm bloc think about it?

A similar situation prevails in a great many of the State legislatures, with organized agriculture holding the balance of power. Such is the strength of organization.

It is significant in this connection that many of the State farm organizations are already beginning to mobilize their forces for the coming State legislative sessions. Fortunately, up to date the outbreaks against chain stores have been more or less local, but their increasing numbers carries a real danger that the local pressure will ultimately become strong enough to compel the States, or possibly even the national organizations to take official action.

KEY FARM LEADERS

The real backbone of organized agriculture is a body of several thousand local farm leaders, termed "key men", and collectively constituting the most powerful group in the world.

It is through these key men and women that the national farm organizations reach and influence their millions of members.

Not only do these key leaders control and direct the sentiment and activities of their own local communities, but in addition they dictate the State and National policies.

It is to these key leaders that National and State legislators look for guidance as to farm sentiment.

It is these key leaders that collectively dictate the attitude of farm blocs on State and National legislation.

EDUCATING KEY LEADERS

With rural America desperate and looking about for any method of relief, and with false attacks being made on chain stores, it is imperative that these key leaders, with their tremendous influence, be made thoroughly familiar with the principles of chain-store distribution and its benefits to farmers, and, above all, that these key leaders be made to realize very clearly the falsity and unsoundness of the charges made against chain stores, as well as the injurious effects to rural America by the passage of excessive chain-store taxes and other injurious regulations and restrictions.

It is therefore planned that an intensive campaign of education be immediately directed toward selected key leaders, in order that they may be fully familiar with the chain-store situation by the time that the State legislatures meet this winter.

It is well to remember in this connection that farm groups move slowly, but once having taken a step, they rarely switch their position. Hence the imperative necessity of reaching these key leaders before they have formed definite conclusions on the chain-store question.

OUTLINE OF PROGRAM

The planned campaign involves the following procedure:

(1) The setting up of a small group of carefully chosen agricultural public-relations experts, who will operate as a farm advisory bureau (or some other appropriate name), the general function of which will be the dissemination of authentic, helpful information to rural America on the distribution and marketing of agricultural products.

(2) The carrying on of an intensive research analysis by trained agricultural experts into the interrelations of agriculture and chain stores. This will include:

(a) The collection of all available information on the subject, opinions of experts, etc.

(b) A careful study and analysis of all this information, in order to tie it up with present activities of organized farm groups.

(c) The translation of the results into everyday farm language.

(3) Utilizing this information so collected, analyzed, and translated, a carefully planned and directed educational campaign will be carried on with a selected list of key leaders. This will follow the established methods used by organized agriculture, and will include personal letters, confidential bulletin service, informative literature, etc.

The facts will be presented to the key leaders in a form to which they are accustomed—in a manner to inspire confidence—free from any taint of commercialism of "big business"—through a farm advisory bureau, whose function is the promotion of projects in which farmers are vitally interested.

This education will be directed along two general lines: (a) A clear presentation of the advantages to rural America of chain-store distribution; (b) a clear analysis of the charges and accusations made against chain stores.

(4) Along with this intensive education, special emphasis will be directed toward the stimulation through key leaders of general discussions of chain-store distribution, etc., at organized farm-group meetings, thus correcting antagonistic impressions, misunderstandings, etc., and building for the ultimate objective of favorable group action when desired.

(5) In addition to the direct-mail campaign, staff representatives of the farm advisory bureau will contact personally with key leaders at sectional, State, and regional meetings of organized farm groups, particularly in sections wherein have developed situations inimical to chain stores.

The effort will ever be to develop and maintain a most friendly feeling on the part of key leaders toward the chain stores.

(6) A favorable attitude on the part of the agricultural press is of decided advantage. Therefore it is planned to have staff representatives of the farm advisory bureau call personally on the editors of leading farm publications, with a view to securing maximum editorial support, and supplying them with suitable material for use in their publications.

(7) Farm Bureau officials suggest as the proper man to develop and carry out such a campaign Mr. S. A. Van Petten, who has had 15 years' experience in the development and execution of advertising and public-relations campaigns of various kinds, including 4 years with the national headquarters of the American Farm Bureau Federation, the largest and most powerful farm organization in the world.

For the past year and a half Mr. Van Petten has been carrying on outside activities along with special work for the Farm Bureau. The following information regarding Mr. Van Petten is furnished us from reliable sources:

"While with the A. F. B. F. from 1928 to 1931 he cooperated with H. R. Kibler, national director of information of the entire Farm Bureau organization, in the development and execution of numerous campaigns directed toward various objectives, such as the adoption of farm practices, the promotion of farm-home modernization, the direction of key leader pressure on National and State legislators, Government heads, etc., the mobilization of rural sentiment for legislative measures, etc."

An outstanding example of a highly successful campaign, comparable to the one here planned, was directed toward creating a Nation-wide demand for the improvement of secondary roads with low-cost materials. It was financed by the asphalt interests and extended over a period of 2 years, which is the time usually required to "sell" rural America thoroughly.

The result was the most tremendous road-building program that this country has ever seen. Huge Federal and State appropriations were secured. Gasoline taxes were diverted to this purpose, as well as other funds. At one time 25,000 miles of road were under construction, totaling over $1,000,000,000.

The activity was carried on by a special organization set up for the purpose, known as the "secondary road institute", following the procedure and utilizing the methods to be used in the chain-store campaign.

Another interesting example of the power of key leaders was in connection with a campaign to remove the Federal restriction on the free use of corn sugar.

Mr. Bedford, then president of the Corn Products Refining Co., told Mr. Van Petten and Mr. Kibler that the corn-sugar interests had been endeavoring for over 15 years to remove this restriction, and had spent several hundred thousand dollars, with no success, and that he was very dubious over the success of the key-leader campaign plan.

To his surprise, in less than 6 months the restriction was removed by order of the Secretary of Agriculture—as the direct result of pressure brought on him by farm key leaders, after the facts had been brought to their attention.

(8) Actively associated with Mr. Van Petten in the development of the chain-store campaign in every detail and in its execution from start to finish, will be Mr. H. R. Kibler, national director of information of the American Farm Bureau Federation.

For over 12 years, Mr. Kibler has been handling all public-relations work of the entire national Farm Bureau organization, and he is generally registered as being in a very large measure responsible for the remarkable accomplishments of the Farm Bureau, both from a service and a legislative standpoint.

Mr. Kibler's years of experience in the farm field, his intimate contact with key leaders, his knowledge of their manner of thinking and acting, and how to reach and influence them, as well as his broad experience with all types of publicity mediums, give him a qualification and exceptional fitness for a plan of this nature. Every detail of the campaign meets with Mr. Kibler's approval in every respect, and he is confident of the success of it—assuming, of course, that the objective is fundamentally sound, viz, that the chain-store distribution system is of real economic value to the farmers and beneficial to them, which is unquestionably true.

(9) In addition to engaging the services of Mr. Kibler, Mr. Van Petten will arrange to secure the assistance of other trained experts, some on part-time and others on a full-time basis, whose experience runs over a number of years and whose effectiveness has been demonstrated in numerous rural campaigns.

In short, the best brains and ability in organized agriculture will be focused on the development and the execution of this program.

(10) Mr. Van Petten and Mr. Kibler have carefully estimated the cost of carrying on this program with maximum effectiveness, and including every feature conducive to an outstanding success.

Certain items might be eliminated at a saving of expense, but it is felt that the importance of the objective justifies putting forth a maximum effort. With this in mind, a monthly budget of $5,000 has been arrived at. The carrying on of a national campaign of this magnitude, with its numerous ramifications, including a utilization of the best ability in organized agriculture, is made possible for this sum because of the fact that the present existing set-up will be used and the methods followed that have been developed in other campaigns.

Should it be desired to expedite the program, it can be speeded up to a certain extent by carrying on a more intensified activity with more field representatives, etc., up to a maximum of $8,000. It is not felt that any greater expenditure would be justified.

PROMPT ACTION ESSENTIAL

A prompt starting of the activity with the key leaders is highly desirable, before the local situations become too acute through local outbreaks, and before the key leaders have definitely made up their minds regarding the advisability of action and legislation adverse to chain stores—for the State legislative sessions are but a few months away.

In addition, there is the danger, if the matter is delayed, that some of the State farm organizations will take official action against chain stores and thus influence similar action in other States.

It is easier and safer to lock the door before the horse is stolen.

Mr. Kibler and Mr. Van Petten write as follows:

"In conclusion, we wish to emphasize again that this plan and our confidence of its success are based on the assumption that chain stores provide an economically sound and effective means of distribution, to the benefit of the farmers of America. With that sound foundation, there is no question of success, for the same plan and method will be utilized that has proven so successful on numerous other campaigns."

Mr. JOHNSON of Texas. What is the date of the letter?

A FARM LEADER TO BE BOUGHT AND PAID FOR

Mr. PATMAN. The letter is dated September 1932.

Mr. Chairman, the point is that the national chain-store organizations had failed in their propaganda efforts in this country, they could not put it over. So they then made an effort to organize this secret organization, one that would be led by farm leaders, but the farmers were not to know that these leaders had been bought and paid for by the chain-store organizations.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DONDERO. Has the gentleman information as to the number of units of this organization in the various States?

Mr. PATMAN. I do not think I have that information at present, I will say to the gentleman from Michigan, but we will have it before the investigation is completed.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. TRUAX. The letter the gentleman read mentioned the president of the Ohio Farm Bureau Federation. I wonder if that reference is to Mr. L. B. Palmer, who was then a Republican candidate for lieutenant governor, but who was defeated and is not now president of the Ohio Farm Bureau Federation?

Mr. PATMAN. I cannot identify the person to whom the gentleman from Ohio has made reference, but the letter states this:

Incidentally, the Republican candidate for lieutenant governor in Ohio is president of the Ohio group.

That was in September 1932.

Mr. TRUAX. Mr. Perry L. Green, the former director of agriculture, is now the president of the Ohio Farm Bureau Federation.

ESAU'S HANDS BUT JACOB'S VOICE

Mr. PATMAN. Anyway, Mr. Chairman, the chain stores failed to fool the people through the National Chain Store Association, and failed to fool the consumers. Believing that they needed a new organization led by different people, they established this wolf in sheep's clothing; in other words, another case of Esau's hands but Jacob's voice; and they set up this new organization with so-called "farm leaders." The interesting part about it is that they organized what is known as a "farm advisory group" to take in this so-called "cornstalk brigade." It was the duty of that farm advisory group to become interested in farmers' problems, to show how they could help the farmer, to render aid and assistance to the farmers.

DECEITFUL MEANS

Then, after they got established as friends of the farmers, they expected to take these key leaders that they had bought and paid for and feed them this chain-store information in the hope that they would have in each community a group to resist chain-store taxes as these matters came up in the various States and before the Congress in order to perpetuate themselves in chain-store business without hindrance. That is what they expected to do. They then expected to go to the farmers' meetings. They had a secret fund for the purpose of paying farmers' expenses. The chain backing the farmers' meeting was not to be known. That was a secret. It was a deceitful means and a fraudulent means to propagandize the people, using the farmers' own friends to fool, defraud, and deceive them. Kroger pledged $8,400 for this purpose in 1 year, and other large chains were asked to come in. We know that they did have some cooperation. How much we do not know. They expected to spend from $5,000 to $8,000 a month. This farmer-friend set-up did not last long. They had failed to fool the public and the consumers through their chain-store advertising and they also failed to fool the farmer on this front they hoped to put through.

FARMERS WELL INFORMED

If they do not know it, I will tell them now that farmers represent about the best informed class of people in this country today. If you do not believe it, you just go to a farmers' meeting or talk with the average farmer and he will tell you something about this monetary question we have been discussing up here. I honestly believe there are more farmers who know about the monetary system in this country than there are bankers. As I say, I honestly believe that. [Applause.] I heard a New York banker say the other day at a meeting, and he is one of the progressive group, that there are only two people that handle gold. One is the banker and the other is the dentist, and the dentist knows more about it than the banker. I believe that the farmers know more about the gold problem than the dentists or the bankers.

THE FARM-LEADER FRONT

Let me tell you about this so-called "farm leader" they had out there as a front. His name is S. A. Van Patten. He is the same man who promised to deliver the farm vote to the ship-subsidy crowd for $100,000. He made that offer. He is the same man that for the asphalt and cement interests got up pictures to show at the 4-H clubs and at farmers' meetings in order to encourage the use of asphalt on secondary roads. He did that for a price. He was paid. He is the man that took money from the Copper Institute in order to teach the farmers to modernize their homes and use copper for their pipes and gutters. He is the same man that the National Electric Light Association paid some money to in order to get the farmers' interest and good will. He was paid by the National Lumber Manufacturing Association and the Portland Cement Co.

THIRD PLAN AGREED UPON

After they failed to fool the farmers they decided they would have to have something else. So this man Morrill, who is the $77,000-a-year president of Kroger, stated that they would have to have another plan. I am not quoting testimony now. I am quoting what I know is bound to have happened. He evidently said: "We have got to use another plan. We failed to fool the consumers and the public when we came out in the open and said we were chain stores in 1928 to 1932. We had to disband. We then tried to fool the farmers, using their own friends as a front, but we could not fool them, so we had to disband. Now, then, we have to get the small retail merchants together and see if we cannot use them as a front for the purpose of holding down, stopping, and preventing what is known as 'unfair and discriminatory legislation against chain stores.'"

So they organized what is known as the "American Retail Federation." The facts were fully set forth in a resolution presented by our colleague and friend, the gentleman from Missouri [Mr. COCHRAN]. This resolution having passed, a committee was appointed by Speaker BYRNES to investigate that organization. If I were to use the parlance of Mr. Morrill when he referred to the cornstalk brigade for the farmers, I presume I would say that he now wants to organize the "counter jumpers", the independents and local merchants of the country, in order to use them as a front to fight their battles.

PUBLIC-SPIRITED CITIZEN USED AS FRONT

Here is what they did: They had a big meeting over here in New York. Two Kroger directors were pushing this. They got a man named Kirstein, known by many people in this country as a public-spirited citizen. He does not have anything against his record and does not have any background of fooling the consumers, the farmers, or the public.

THEY USED HIM AS THE STUFFED SHIRT

So they called a meeting of 28 of these big executives of the chain stores and from that number they appointed 10, "The Big Ten, Inc." Eight of these admittedly are chain-store executives, representing the largest concerns in America. The other two are referred to as the "little fellows." One of the little fellows, we learn, makes $75,000 a year, and the other one, I think, makes equally as much. They also represent some of the largest concerns in America, but they are the two supposedly representing the small man. These 8 chain-store executives and the 2 small men did not consult the independent merchants before organizing. They did not consult other organizations. They got together and organized without consulting anyone. They have incorporated this organization, and it is known as the American Retail Federation, Inc.

RETAIL MERCHANTS TO BE USED

The object of this organization, I believe the testimony has already disclosed and the committee has not finished, is to use the retail merchants as the front. They had tried the same plan through the farmers and could not fool the farmers. So then they say, "We will organize one concern and have both chains and independents in it." They said they were going to look after the small men. That is what they claimed was the purpose and object of their organization; but, in fact, it was just another case of rendering lip service to the independents and doing a lot of effective foot work for the big chain stores.

CHAIN-STORE MAN HEAD OF AMERICAN RETAIL FEDERATION

Now, who is in the organization? Whom do they pick out to run it? Kroger had a man as public-relations man or public good will man, and he was making about $30,000 a year, which was considered small for the effective work he was doing—to lobby in 18 State legislatures against any anti-chain-store legislation. In these 18 States he knew all about it. He knew more about fighting in favor of chain stores than any other man in America. So he is the man they picked out to have charge of this work. His name is C. O. Sherrill.

Two of the big ten are Kroger's directors. Three of them are interlocked with other concerns in one business family. Five of them have banking connections directly in the form of directorships with New York banks, and all 10 of them have Wall Street banking connections. So this is the group that was organized to look after the small man or the little fellow, and this is the group we have been investigating.

I want to tell you something about this organization from the standpoint of the president of it. He says:

> Although I have fought for years for chain-store legislation, I am going into this organization which represents both the big chains and the independents, and I am going to be fair and impartial. I am going to fight their battles fairly and impartially. If a question comes up where there is a difference of opinion between the chains and the independents, I am not going to take any stand on it. All I will do is just prepare a brief setting forth the facts and the information.

Of course, you can imagine the kind of brief that will be prepared by this chain-store executive of many years of experience. He is going to fight the battles for the little man in the State legislatures and in the Halls of Congress by giving unbiased information, the only kind he knows being in favor of the chain stores. "Whose bread I eat, his song I sing", and I think he is eating the bread of Mr. Kroger and Mr. Morrill and Mr. Morgan's Safeway and all other big chains. They have hired him and they have guaranteed his salary for 2 years, regardless of what becomes of this organization. The first year he gets $40,000; the next year $45,000—this is guaranteed in writing—and, if he makes a go of it, he gets $50,000 a year for the third year; and I presume he is expecting to get that much after the third year, if he makes a go of it.

Now, with respect to Mr. Kirstein——

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois, a member of the special committee.

Mr. LUCAS. Before the gentleman discusses Mr. Kirstein, will he explain to the House the position that the president of the federation held with Kroger back in 1932, when he was discussing the cornstalk brigade?

Mr. PATMAN. The testimony discloses that he was the public-relations man. He had charge of the lobbying for Kroger in the 18 Middle Western States at the time they were organizing the cornstalk brigade to which the gentleman refers.

SECRET FUNDS

We have not yet gone into everything. They have secret funds they use for certain purposes which we expect to go into later on. We know of the existence of them, and we expect to go to the bottom of all the information that has been given to us and make a full report to this House.

So this man who is the head of this organization, not only was he the man in the saddle, directing public relations of Kroger when this so-called "cornstalk brigade" was being formed but he was also their public-relations man when the National Chain Store Association was trying to sell the fallacious theory to the American people that large concerns can operate more economically than the smaller or the independent concerns.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. Has the gentleman any information to the effect that the gentleman to whom he has referred is a member of the law firm that is connected with the receivership of all the banks in Detroit, out of which he is expecting to receive a fee of about $1,000,000?

Mr. PATMAN. I may state to the gentleman that I am not in position to give that information, but since it has been brought to the Committee's attention I suggest we might give it such consideration as it may deserve in connection with the matters before us.

DANGER OF LARGE CONCERNS POOLING RESOURCES

Let me tell you the danger of these large concerns getting together and pooling their resources. I do not question the right of any citizen to come before this Congress or before any legislative body and plead his own case. Any citizen has the right to do that. The citizens of this country have this right of petition, either individually or in a group. I do not object to a corporation, as such, opposing or proposing legislation before the Congress. I have no right to object to it. With the understanding now that I believe that citizens should have this right, and without making the positive, emphatic statement, I do say that there is a doubt in my mind as to whether or not the large corporations of this country should be allowed the privilege of pooling their great resources for the purpose of molding, cultivating, and controlling public opinion. Remember a corporation is not a citizen. It is an artificial, intangible thing.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I should like to state that during the years 1932, 1933, and 1934, if the gentleman's committee will refer to the newspaper files of the State of Michigan—that is, the small weekly papers out in the farm-community districts, as well as the daily papers in the large cities—I feel certain they will find advertisements in these papers in support of the program the gentleman has been describing. I watched it with a great deal of interest. Furthermore, with reference to the pooling, if the gentleman will take the daily papers and the weekly papers published throughout that State carrying the Friday grocery specials, he will find, for instance, in town A a certain chain store will run an "ad" covering certain food items and the prices in that town will be so-and-so per unit on the commodities quoted, while in every other town in the State where that company does business the prices for the same day on the same articles will be higher.

That centering of economic fire is for the purpose of driving out of town the independent home-owned stores and getting them out of business.

$300,000 A YEAR ADVERTISING WITH ONE NEWSPAPER

Mr. PATMAN. The reason I say I am doubtful whether these large corporations shall be allowed to pool their resources to cultivate and mold public opinion is this: We had one witness on the stand—Mr. Kirstein, of Boston—and some reference was made to payment for advertising. I asked him how much his store in Boston paid last year for newspaper advertising. He said more than $500,000. I asked him how large a sum he paid to one newspaper and the name of that newspaper. He said he paid the Boston Herald $300,000 last year for advertising. He said, of course, you understand I never asked the paper to print anything good about me or my store. I said "Brother, you won't have to ask them to print anything good about you or your store. If you continue to pay them $300,000 a year, they will look out for your interests."

If you allow these large concerns that control publicity in the principal cities of the country to get together, those that have one purpose, with the means at their command, the people will not likely get all the truth. Therefore there

is a doubt in my mind whether such colossal, such tremendous, such powerful concerns should be allowed to absolutely control the newspapers in this way. You know that a newspaper is not going to do anything that will offend an advertiser of such large amounts. That is not going to happen. Although the press wants to be fair, the reporters want to be fair, it is a question of business with them as to whether or not they will stay in or go out of business.

Mr. KENNEY. Will the gentleman yield?

Mr. PATMAN. I yield.

BANKER PHASE

Mr. KENNEY. Does the gentleman think that these corporations are responsible for this thing or does he think that the bankers are largely responsible for it?

Mr. PATMAN. We have not gone into that phase, but we are going into it. I am reporting what the committee has found out up to date, but before we get through we are going into the bank affiliations. The point I am making is that the effort is being made through these organizations to control the means of communication. I doubt if you can pick out 10 men in the country who control as much advertising as these 10 men incorporated in this superlobby here in Washington.

I would not deny the United States Steel Corporation or any other corporation the right to oppose legislation in this body or propose legislation for their benefit or the people's benefit. That is perfectly all right. They have the right to do it; but the point I make is that the United States Steel and other big corporations ought not to come here and be allowed to get together for the purpose of controlling public opinion and influence this legislative body through intimidated newspapers.

Mr. McFARLANE. Mr. Chairman, will he yield to me for a question?

Mr. PATMAN. Yes.

Mr. McFARLANE. In keeping with and along the line of the lobby-registration bill enacted recently by the Senate, does the gentleman not believe that it would be advisable for us to speedily bring that legislation before the House, to the end that we enact this or similar legislation which will at least require these different paid lobbyists operating here in Washington to register and state under oath their connections and how much they are being payed as lobbyists, the names of their employers, the legislation they sponsor or oppose, whether or not their employment is contingent, together with any other pertinent information, and have all such information printed at the end of each session in the CONGRESSIONAL RECORD, so that not only the Members but our constituents will know the truth as to how the lobby is working here. These lobbyists should be required to give all the above information before they should be allowed to appear before any committee or communicate with any Member of Congress, and such information should be on file in a well-bound book, open to public inspection at all times. Then Members as well as the public could better tell what is happening along this line here in Washington.

Mr. PATMAN. Any legislation along that line I am sure will be helpful. Certainly no one should object to disclosing his identity. They have no right to operate in the name of the farmers or of the consumers or of any other group when they have bought men and paid them to fool the people they claim to be working for.

Mr. COLDEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. COLDEN. The gentleman mentioned that one of these officials receives a salary of $77,000 per year. Can the gentleman give us information as to what they pay the clerks in the average chain store?

Mr. PATMAN. I am not familiar with that and we have not gone into it. Of course, I cannot speak with correct information, and I shall therefore make no statement about it.

Mr. SUMNERS of Texas. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. SUMNERS of Texas. Unfortunately, I have not been present during the whole of the gentleman's speech. Is it proposed that this committee shall investigate in an effort to discover how it comes about that these chain organizations are able to establish themselves to the elimination of independent stores—to find out, for instance, whether they get their strength from mass purchases, or how it is that they are able to do it as an economic question?

LEGISLATION WILL BE PROPOSED

Mr. PATMAN. We are going into that now, and I think we know pretty well how they do it. We expect to propose some legislation that will stop it. All the small independent man has a right to ask for in this country is the same opportunity to make a living as the largest chain. We cannot make these independent men energetic, we cannot make them take advantage of opportunity, we cannot give them good judgment if they do not have good judgment, but we can give them the same right and the same opportunity to make a living as the largest chain.

Mr. SUMNERS of Texas. Is the gentleman's committee considering the possibility of applying to this situation, insofar as purchasing is concerned, something of the philosophy that is applied in making railroad rates? For instance, the Commission requires that the railroads must give the same service for the same price to everyone, fixes the unit of transportation so that it comes within the reach of the average man. I do not know how far you can go.

Mr. PATMAN. I do not know how far we will go that way. In a few days a bill will be introduced, which will be referred to the gentleman's committee, and this whole subject will come before his committee. Knowing the gentleman and the members of his committee as I know them, I believe, if the bill is not complete to protect everybody's interest, his committee will make it so.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. BLANTON. The distinguished gentleman from California [Mr. COLDEN] asked the gentleman whether or not the members of this combination were adequately paying their employees, the ones who actually do the work in the stores. Regardless of that question, where they are organized and where they control all of the retail business of the country, they could very well pay the employees a tremendous sum, because in the ultimate it is passed on to the consuming public. So, regardless of what they pay them, we want to carefully watch and control this organization.

Mr. MILLARD. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. MILLARD. The gentleman read a very interesting letter dated September 1932. Did the gentleman put in the RECORD the name of the man who signed that letter?

Mr. PATMAN. Yes. Hearings have been held before the special committee and anyone may get a copy of the hearings by sending to my office or to the office of any member of the committee. All members of the committee have copies of the hearings.

Mr. MAY. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MAY. I should like to ask the gentleman one question in connection with his statement that the committee was trying to work out some plan by which it would be possible to make the opportunity of the small grocer or the small merchant equal to the opportunity of the chain-store merchants. If the chain-store merchants, by reason of their combinations of capital and their large amount of money are naturally in a position of being able to buy very much cheaper than the man who does not have that amount of money, because they cannot buy in carload lots, how does the gentleman expect to solve that situation?

Mr. PATMAN. I have in mind an amendment to the Clayton Act which will make it unlawful for any person to discriminate in price or terms of sale, except where it is manufactured goods and the quantity ordered causes a reduction in the price. Otherwise there will be no exception. It will carry a penalty. It will make it unlawful to discriminate in price or terms of sale, regardless of the quantity sold.

That is the only way that I know of by which we can absolutely and fully protect the small merchants of this country.

The investigating committee is a good committee. The members of that committee are all good men. Of course, I am excepting the chairman, but they are all working together, trying to do something that will solve this situation. I believe that before this session of Congress is concluded we will have some more astounding facts to present to the Members of this House.

Mr. MAY. Will the gentleman yield further?

Mr. PATMAN. I yield.

Mr. MAY. Does the gentleman believe that an amendment to the Clayton Act such as he mentioned would have the effect of enabling the small merchant with small capital to purchase in small quantities at a lower price, like the large merchant who can buy in wholesale lots or carload lots, or would it have the reverse effect of putting it all at a higher price to the consumer?

Mr. PATMAN. We hope that it will give them all the same price. If it does not do that we will try to work to that end, to get some law that will do it. Furthermore, we are proposing an amendment to the antitrust laws, so as to make it easier to prove damages. Where a monopoly crushes an independent it is almost impossible, under the present antitrust laws, to make proper proof of damages. We expect to offer a bill that will make it much easier to establish damages.

Mr. COLDEN. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COLDEN. My memory is rather vague, but was there not a strike recently in one of the chain stores in one of the large cities of the Middle West, because of the low wages paid to employees, and the company threatened to leave the city?

Mr. PATMAN. I am not familiar with the facts.

Mr. CRAWFORD. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CRAWFORD. The facts will bear out the statement to the effect that the processors of farm goods in this country who purchase goods direct from the farmer on a participating basis, are allowing those chain stores enormous and staggering secret rebates, operating directly against the pocketbook of the farmers. Furthermore, the facts will bear out the statement that the clerks who operate these stores are under an inventory system which, in hundreds of cases, forces them to commit criminal acts in order to hold their jobs.

Mr. PATMAN. I thank the gentleman for the information. I now yield to the gentleman from Pennsylvania.

Mr. MORITZ. Is it not the gentleman's opinion, so far as his investigation has gone, that if this had not been nipped in the bud it would have been very disastrous for the independents?

DANGEROUS TO PEOPLE FOR FEW TO CONTROL NEWSPAPERS AND NATION'S CREDIT

Mr. PATMAN. Absolutely; but whatever we do here we must prevent a few people from controlling the means of communication in this Nation. If we allow a few people to control the newspapers, the radio, the screen, the stage, and the movietone, and then control the credit of the Nation along with it, I do not know what will become of the other people in this country. [Applause.]

Mr. Chairman, I reserve the balance of my time.

Mr. PALMISANO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 410, and had directed him to report that it had come to no resolution thereon.

Mr. PALMISANO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 410; and pending that, I move that general debate on the bill may be limited to 10 minutes, 5 minutes to be controlled by myself and 5 minutes by the gentleman from Maine [Mr. BREWSTER].

The SPEAKER. The gentleman from Maryland moves that general debate be limited to 10 minutes, 5 minutes to be controlled by himself and 5 minutes by the gentleman from Maine.

The question was taken, and the motion was agreed to.

The SPEAKER. The question now recurs upon the motion of the gentleman from Maryland that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill S. 410.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 410) to provide fees to be charged by the recorder of deeds of the District of Columbia, and for other purposes, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from Maine [Mr. BREWSTER] is recognized for 5 minutes.

Mr. BREWSTER. I yield back my time, Mr. Chairman.

Mr. PALMISANO. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, there seems to be some question as to whether the fees required for the filing of corporation papers will be exacted from membership corporations. I should like to direct this to the attention of the committee.

From time to time there are various groups, societies, and associations which desire to organize themselves into membership corporations. In the past this has applied not only to members of clubs and associations but even to Members of Congress and others who come here from year to year. Relative to the fees for recording certificates of incorporation, the bill states that the fee so paid shall not be less than $50. This figure would be too high for membership corporations. It is intended, of course, that the fees specified shall apply to corporations with capital stock, but I do believe that there may be some doubt about the language, and I want, if necessary, to clear it up. I believe the language of the bill should be so charged as to exempt from its provisions membership corporations unless the committee is convinced that the fees required of business corporations will not, under the present terms of the bill, be assessable against membership corporations.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill.

Mr. PALMISANO. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 410, directed him to report the same back to the House with the recommendation that the bill do pass.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEGLIGENT HOMICIDE

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2100) to amend an act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, by adding three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively.

The Clerk read the bill, as follows:

Be it enacted etc., That the act of Congress entitled "An act to establish a Code of Law for the District of Columbia", approved March 3, 1901, as amended, be further amended by adding immediately following section 802 three new sections to be numbered 802 (a), 802 (b), and 802 (c), respectively.

"SEC. 802. (a) Negligent homicide: Any person who, by the operation of any vehicle at an immoderate rate of speed or in a

careless, reckless, or negligent manner, but not willfully or wantonly, shall cause the death of another, shall be guilty of a misdemeanor, and shall be punished by imprisonment for not more than 1 year or by a fine of not more than $1,000, or both.

"It shall be the duty of the coroner of the District of Columbia, upon any inquisition taken before him which results in the jury finding that negligent homicide, as defined herein, has been committed on the deceased, to require such witnesses as he thinks proper to give recognizance to appear and testify, or in default thereof to be committed to jail for appearance, in either the Supreme Court or the police court of the District of Columbia, and the coroner shall return to either said court the said inquisition, testimony, and recognizance or order by him taken or given.

"SEC. 802. (b) Negligent homicide included in manslaughter where death due to operation of vehicle: The crime of negligent homicide defined in section 802 (a) shall be deemed to be included within every crime of manslaughter charged to have been committed in the operation of any vehicle, and in any case where a defendant is charged with manslaughter committed in the operation of any vehicle, if the jury shall find the defendant not guilty of the crime of manslaughter, such jury may, in its discretion, render a verdict of guilty of negligent homicide.

"SEC. 802. (c) Immoderate speed not dependent on legal rate of speed: In any prosecution under sections 802 (a) or 802 (b), whether the defendant was driving at an immoderate rate of speed shall not depend upon the rate of speed fixed by law for operating such vehicle."

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

LYMAN C. DRAKE

Mr. PALMISANO. Mr. Speaker, I call up the bill (S. 2591) for the relief of Lyman C. Drake.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized and directed to pay to Lyman C. Drake the sum of $1,316.40 on account of an award made by the United States Employees' Compensation Commission on September 6, 1934, under the District of Columbia Workmen's Compensation Act, case no. 4927-91, for personal injuries sustained by the said Lyman C. Drake on April 6, 1933, while in the employ of the District of Columbia Committee on Employment: *Provided*, That payment to and the receipt by the claimant of the sum herein appropriated shall be in full settlement of any and all claims arising out of said personal injuries.

With the following committee amendment:

Page 2, line 3, after the word "injuries", insert the following: "*And provided further*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BONDING OF OFFICERS AND EMPLOYEES OF THE DISTRICT OF COLUMBIA

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 7765) to amend (1) an act entitled "An act providing a permanent form of government for the District of Columbia"; (2) an act entitled "An act to establish a code of law for the District of Columbia"; to regulate the giving of official bonds by officers and employees of the District of Columbia, and for other purposes.

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

Mr. BLANTON. Mr. Speaker, reserving the right to object, this is a bill about which there is some real controversy. I hope the gentleman from Maryland will withdraw it. The purpose of this bill is to relieve public officials here from giving official bonds—something that never should be done.

I am unalterably opposed to such measures and shall have to vigorously oppose this bill if it is taken up; hence I hope that my friend from Maryland will withdraw it.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to withdraw the bill from the consideration of the House.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

PAVING ASSESSMENTS

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 7526) to amend the act approved February 20, 1931 (Public, No. 703, 71st Cong.), entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters."

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent that the bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act approved February 20, 1931 (Public, No. 703, 71st Cong.), entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters", be amended by adding thereto a new section as follows:

"SEC. 14. (a) The provisions of sections 5, 6, and 7 hereof shall not preclude the levying of assessments hereunder if the improvement for which such prior assessment was levied, or, if the original paving, curbing, or curbing and guttering, laid at the whole cost of the owner, were completed prior to January 1, 1885.

"(b) The provision of section 8 hereof, relating to legal assessments heretofore levied, shall not be applicable where said prior assessments were levied for any improvement completed prior to January 1, 1885."

SEC. 2. The provisions herein contained shall not apply to assessments levied prior to the date of approval of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALCOHOLIC BEVERAGES CONTROL

Mr. PALMISANO. Mr. Speaker, I call up the bill (H. R. 5809) to amend an act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia."

The Clerk read the title of the bill.

Mr. PALMISANO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5809; and pending that, I ask unanimous consent that general debate be limited to 2 hours, to be equally divided and controlled by the gentleman from Maine [Mr. BREWSTER] and myself.

Mr. BLANTON. Mr. Speaker, reserving the right to object, with the understanding that the gentleman shall keep an agreement I have with him, I will not object.

The regular order was demanded.

Mr. BLANTON. If the regular order is going to be demanded, Mr. Speaker, I shall object. There was a chance to have had an understanding, that would have avoided the objection.

Mr. SCHULTE. Why should there be any individual understanding?

Mr. BLANTON. I was about to conclude a gentleman's agreement with the gentleman from Maryland.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. BLANTON. Mr. Speaker, having now had a satisfactory understanding with the gentleman from Maryland regarding a proper division of time, I do not object.

The SPEAKER. The question is on the motion of the gentleman from Maryland.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5809, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. BREWSTER. Mr. Chairman, I yield 15 minutes to the gentleman from West Virginia [Mr. RANDOLPH].

Mr. RANDOLPH. Mr. Chairman, it would be futile, indeed, for me to answer and present myself today against the gentleman from Texas, to whom you have listened so many times, if this were a mere measuring of ability upon this floor. However, this is more than a conflict between individuals. The humblest Member of this distinguished body, when clothed in the armor of a reply which he believes to be proper and just, is not afraid, but speaks from his heart in connection with the matters which he will discuss. Mr. Chairman, I have asked no Member of this House to take the floor this afternoon and assist me in the reply which I shall make. I regret exceedingly that I must take the time upon such a matter. I desire very earnestly to speak in language which is temperate and fair. Always I want to follow, as I understand them, the proprieties of the position incumbent upon the work which we do.

Mr. Chairman, before replying to the gentleman from Texas and to the remarks he made about me a few days ago I take occasion to say that the task assigned me as chairman of the subcommittee of the House District Committee to investigate law-enforcement agencies in the District of Columbia was anything but a pleasant task. I approached the undertaking—and I am certain all members of the subcommittee approached the undertaking—with a deep feeling of responsibility in the matter. I am glad to say upon the floor of the House this afternoon that, as far as I know, there has been nothing unpleasant between the gentleman from South Dakota who files with this House the minority report and myself in filing the majority report of the subcommittee and the full District Committee. It would be an unusual procedure if any report came before this House with a unanimous opinion, and I am certain this is not the time and not a subject which would allow a unanimous report to be brought in.

I shall now address myself very briefly, and as best I can, to the remarks made in the House last Thursday, June 6, by the gentleman from Texas. I have before me the CONGRESSIONAL RECORD of that day, and I find that my testimony as a character witness on behalf on Roy Hugh Jarvis in the district court here in Washington has been placed in the RECORD. First of all, I desire to say that I appeared as a character witness on behalf of Mr. Jarvis, who is a resident of the State of West Virginia and a resident also of Morgantown in my congressional district. I appeared upon two occasions as a character witness for this gentleman. I believe I should also say to the House that I appeared in his behalf with the distinguished senior United States Senator from West Virginia, the Honorable MATTHEW NEELY. I appeared also in his behalf with the distinguished former judge and Chairman of the Radio Commission, Mr. Robinson, of Grafton, W. Va., and others. At that time I did what three-fourths of the Membership of this House have done upon one occasion or another, perhaps, and that is to appear as a character witness for a man in whom you have confidence. I should like to say also that the RECORD of Thursday, June 6, does not say that in this case the gentleman being tried was acquitted of the charge.

Coming again to the RECORD of June 6, I find the words spoken by the gentleman from Texas, as follows:

> I presumed he was here doing his duty—
>
> Referring to me—
>
> and not somewhere else.

I should like to say to the Membership of this House that I do not believe that I have to give an accounting to the Members here, or to anyone for that matter, of my honest stewardship of the position which I hold. It so happens that I represent a district which comes to within an hour's drive of the limits of the District of Columbia. Hardly a day passes but what I do not have from 20 to 30, and sometimes the number has been 50, constituents of mine who have come here to Washington, D. C., to talk with me. Members from districts far removed from Washington do not realize perhaps just what this means. I am not complaining today because they visit me. I am happy to have them come. And just as they come to Washington to see me I am called by them to go back into the district, which is only a short distance from where we are meeting here as a congressional body. So it happened that upon this occasion I was fulfilling an obligation. I was keeping a promise to go into my district on that day, and finding that the legislative calendar was such that I could make the journey, I did so.

May I say also that on the night before I made this journey into West Virginia, to the county seat of Mineral County, that I worked late in connection with my duties here as a Member of Congress. When I came back on the night of the day the remarks were made upon the floor I worked late again. I feel deeply the responsibilities of my position, and I trust always that I shall live up to the obligations of the office to which I have been elected, and to which I feel a deep sense of responsibility in matters before the House.

Mr. EDMISTON. Will the gentleman yield?

Mr. RANDOLPH. I yield to my colleague from West Virginia.

Mr. EDMISTON. Mr. Chairman, I just want to tell the Membership of the House that I have known my colleague the gentleman from West Virginia [Mr. RANDOLPH], whose district adjoins mine, all of his life. I certainly resent the unwarranted and unfair language that was used against him in his absence here last Thursday. I believe the Membership of this House knows that my colleague is one of the hardest working Members of this body. I want to get that very plainly in the RECORD. [Applause.]

Mr. RANDOLPH. I thank the gentleman. The gentleman is very kind, and I am deeply appreciative of his remarks.

Mr. Chairman, I am ready to leave the floor, but before doing so I want to say that in the conduct of the investigation and in the hearings which were held in connection with the investigation of crime conditions in the District of Columbia I personally tried to the very best of my ability to conduct them in an honest, fair, and courteous manner. I realize there will be disagreement over the report made by the majority of the committee, but may I say that the majority report and the minority report will be filed together in the proper order in the House. I want to say on behalf of the majority members of the committee that we have acted honestly, we have acted fairly, and I simply asked this time to present this matter, for which I thank the Members of the House most sincerely. [Applause.]

Mr. PALMISANO. Mr. Chairman, the bill now under consideration (H. R. 5809) is commonly known as the "hidden-bar bill."

There has been considerable complaint by people of the District about being compelled in their drinking to have the "cherry", as they call it, sold to a half dozen different customers. The object of the bill is to have open bars in respectable places; not that the customers will be permitted to drink at the bar, but simply to permit them to see that they receive no leavings from the drinks of other customers.

So far as I am concerned, unless the other side desires further time, or the gentleman from Texas desires time, I am ready to move to close general debate.

Mr. BLANTON. Just now I do not care for my time, and I shall reserve it, to be used later.

Mr. PALMISANO. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. WOOD].

Mr. WOOD. Mr. Chairman, I am very much in favor of the general principles of this bill. I realize that after we had so many years of prohibition and since the modification of the Volstead Act and the repeal of the eighteenth amendment every State of the Union has practically enacted new liquor laws. No two States have a law that is very similar.

In the District of Columbia law they have a provision that the mixing of drinks in a saloon or in a liquor-dispensing establishment must be done in a hidden manner and out of

the sight of the customer. Why this was done I do not know, but I believe there is more chance for a customer to get what he is really paying for—for instance, if he wants a drink of bonded liquor mixed in a highball or in any other way that he may desire it to be served—if he can see the bartender or the dispenser mix the drink. I believe in this way he will get better service and is sure to get what he pays for. However, the laws of the District provide that the bartender must hide himself in a little dog house, where no one can see him. He is not required to chain himself, but he is required to go behind this enclosure and secretly mix the drink. So I think that so far as this provision of the bill is concerned it is a very meritorious one.

However, Mr. Chairman, I have serious objection to section 2 of the bill, which provides that all class A or class B license holders shall close their establishments at the time provided in the liquor law for the closing of the liquor stores.

It can be very plainly seen that all drug stores, grocery stores, or other establishments that are handling bottled goods or package goods, if this bill is enacted into law with section 2 in the measure, will have to close at the time the liquor stores close.

Mr. Chairman, it is pretty generally known that a great many of the liquor stores throughout the Nation are owned by the Big Four—the four distilling companies that almost have a monopoly on the distilling of liquor in this Nation—and I feel that this is a move on the part of the liquor interests to get a further monopoly on the liquor business. The liquor men prior to prohibition did more to bring on prohibition than any other influence that I know of.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, I yield the gentleman 5 more minutes.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. WOOD. I yield.

Mr. NICHOLS. The gentleman states he objects to section 2, and I would like to ask the gentleman if he has given enough thought to the matter to have prepared for submission an amendment to section 2 which would meet his objections.

Mr. WOOD. I have an amendment on the table now striking out section 2 of the bill.

Mr. NICHOLS. In its entirety?

Mr. WOOD. Yes.

Mr. Chairman, I hope this legislation will pass, but I also hope that section 2 will be stricken from the bill.

As I have said, if this type of legislation continues to be advanced by the large distillers of this Nation, I venture the assertion they will again do the thing that will hasten a change in our liquor laws. I do not see any reason why we should confine the sale of liquor simply to a liquor store. Every State in this Union that has enacted a liquor law since the repeal of the eighteenth amendment has provided, generally, a system whereby you can buy the product in drug stores or grocery stores or in other establishments, and I feel sure this has had the effect of lessening drunkenness. It does not give the young folks any thrill now to be able to buy liquor. If the sale of liquor is narrowed down to an establishment that handles no other product, it stands to reason that it will be harder to get.

I cannot see any good reason why we should not allow our drug stores to sell liquor for medicinal purposes. I hope it will not be necessary for us to secure a doctor's prescription every time we want to get some liquor from another place except a liquor store.

There are a good many ailments, a great many emergencies, cases of pneumonia and other ailments where the wife or the women folks of the family desire to get liquor readily for a patient at home.

If this provision passes, we will have to go into a liquor store, and very few women like to be seen going in and out of a liquor store. If this provision is adopted, they may have to go to a doctor to get a prescription if they want to buy liquor at a drug store. I think that section 2 is entirely uncalled for.

Section 2 will tend to create a monopoly of the liquor business. The liquor business is monopolized in Missouri now so that it is almost impossible for anyone to get a license to manufacture liquor. I think we have one distillery in Missouri. I know there have been 5, 6, or 7 applications made for a license to manufacture liquor, and they were applications by high-class citizens, but they have been unable to get a license to manufacture liquor in the State of Missouri. I think they have the situation sufficiently monopolized now without giving them a further monopoly. [Applause.]

Mr. PALMISANO. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Chairman and gentlemen of the Committee, we listened to an able speech by the gentleman from Texas [Mr. PATMAN] about the monopoly of chain grocery stores. Here we have a bill that has been brought in which has a section in it that is going to produce a monopoly of the liquor business, putting it into the hands of the liquor men of this town. I have no objection to other provisions of the bill. They are good. But when it comes to handling the liquor, taking it away from the drug stores, the proprietors of which are the most reputable men in the liquor business, it is absolutely wrong.

I want to give this House some of the statistics connected with this business.

The idea of section 2 of this bill is to prevent, as they call it, violations; as a matter of fact, out of 39 violations there were only 10 for selling liquor after hours, and only 3 of those 10 would be corrected by the Dirksen bill. That would be only one-thirteenth of the violations covered by the Dirksen bill.

In this city there are something in the neighborhood of 60 drug stores which pay a license fee of $750 each to handle liquor. There are in the neighborhood of 300 other establishments which would come in under this class. If these people are forced out of business by the provisions of section 2 of this bill it will result in a loss of revenue in this city to the Treasury of the United States of over $270,000 a year.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. BLANTON. The gentleman noticed in the press this morning that the traffic accidents resulting in death are increasing all of the time and that the statistics here in Washington show that it is because of drunken drivers.

They quote our traffic director, Mr. Van Duzer, as saying that when drivers want to drive they must not drink, and when drivers want to drink they must not drive. If this bill incidentally prevents 300 drug stores from selling that stuff that makes drivers drunk and dangerous to the public, is not it to that extent commendable?

Mr. FADDIS. Oh, if it closed all of the other places where they could get a drink, the gentleman's argument might be applicable, but I decline to yield further to the gentleman. These places were all presumably closed under prohibition. What was the result? The gentleman knows very well that they would get it at other places just the same. The drunken driver does not get his liquor at the drug store; he gets it in a saloon. If the gentleman wants to do what he has in mind, why does he not close all of them?

Mr. BLANTON. If I get additional time for the gentleman, will he yield further to me?

Mr. FADDIS. Yes.

Mr. BLANTON. Then I shall ask the gentleman from Maryland to yield 5 minutes of my time to the gentleman from Pennsylvania.

The distinguished gentleman from Missouri [Mr. WOOD] stated a very interesting conclusion a while ago, that ladies now could go into a decent place—a drug store—or send in there and get liquor that is intoxicating, whereas they might not want to go into a saloon or a place where only liquors are sold, which is really a saloon. I feel sure that he does not want to make these places where this stuff is sold that makes drivers drunk so decent that even little children could go in there?

Mr. WOOD. Oh, the gentleman knows that I am not in favor of anything of that kind; and he knows as well as I do that they got liquor during prohibition.

Mr. BLANTON. Yes; but I say to my friend that the pivotal time has not yet come, but it will soon be here, when we are going to turn around and go back the other way.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. PALMISANO. Mr. Chairman, I yield 5 minutes more to the gentleman from Pennsylvania.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. FADDIS. Yes.

Mr. NICHOLS. In reply to the statement of the gentleman from Texas [Mr. BLANTON], who speaks of making these places decent for the ladies to go into, I remind the gentleman, if he is not familiar with the custom, and if the gentleman from Texas [Mr. BLANTON] is not familiar with the custom, that if a person is close enough to a telephone to reach it, he can use it and have the liquor delivered to him or her without going into any place. You can get it brought to you.

Mr. FADDIS. That is true, and, so far as that is concerned, that could even be done under prohibition.

Mr. EAGLE. And was done.

Mr. FADDIS. And was done, but the point of the matter is this: When you take away the right of drug stores or the other holders of class A permits to handle liquor, you are narrowing it down, which was not the original intention when we repealed the prohibition law. It was not the intention to put it into the hands of a few. One of the greatest arguments presented to this Nation for repealing the prohibition law was to increase the revenue, and if you pass this bill with this section in it, you are decreasing the revenue of the Federal Government by $270,000 a year, and that is an item worth considering, even in these days when we pass appropriations for tremendous sums without hardly giving them a thought.

I yield back the remainder of my time.

Mr. BREWSTER. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. SCHULTE].

Mr. SCHULTE. Mr. Chairman, on April 3 there was inserted in the CONGRESSIONAL RECORD, page 4936, by my good friend and colleague [Mr. BLANTON] a letter that he had asked Mr. Reedy for, and which Mr. Reedy sent to him, in which they undertook to assassinate my character. The RECORD containing the letter went back into my district. I received quite a number of letters which I am saving so that I may sometime or other place them in the RECORD to show what the people there think of the letter and its author. Mr. Reedy is the man who came to me and told me that he was a good friend of TOM BLANTON, of Texas. He told me that I had no reason to doubt his word, and he said he was brought here by several newspapers for the sole purpose of getting Burke, who is the Chief Inspector of the Police Department. A more efficient inspector never lived in any city. He said he was sent here for the sole purpose of getting Inspector Burke along with Major Brown and Garnett.

He came into my office; wanted to bring witnesses and affidavits relative to the crime situation in the District of Columbia. I told him the proper person for such complaint was Mr. JENNINGS RANDOLPH, the chairman of our committee, for whom I have the highest regard, and I am sure every other Member of the House has the same respect for him. [Applause.]

Mr. Chairman, in this RECORD the gentleman from Texas asserts that I frequented a place at 45 H Street NE., a place operated by Tony DiGenaro, a man who was born and raised in Washington, D. C. You bet I do. When I go into Tony's place I meet 20 or 30 of my colleagues there. [Applause and laughter.] Mr. Reedy said that he would give Mr. BLANTON names of men and women who frequent that place. That is right. Woman no. 1, bless her heart, was my own wife. Other Members go there with their families. Several United States Senators eat at Tony's, and I hope the gentleman from Texas [Mr. BLANTON] will go in there and try one of those famous steaks for which the place is noted.

Mr. BLANTON. Will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. BLANTON. I never knew Reedy until one of the gentleman's colleagues introduced him to me when he gave me that letter. I had never heard of him before. He was no friend of mine. I never saw him more than three or four times in my life.

Mr. SCHULTE. Nevertheless the gentleman asked him for a letter with which to assassinate my character.

Mr. BLANTON. I asked him to tell me what facts he knew. The gentleman's colleague and friend introduced him to me.

Mr. SCHULTE. Will the gentleman tell me who that colleague is? The gentleman should be fair.

Mr. BLANTON. The gentleman is not here just now, and is sick, and I would rather not do it.

Mr. SCHULTE. Well, the gentleman should be fair. If he is a colleague of mine, the gentleman should state his name.

Mr. BLANTON. I will tell the gentleman, if he insists. It was our colleague from Illinois, Mr. DIRKSEN.

Mr. SCHULTE. The candidate for Governor of the great State of Illinois on the Republican ticket!

Mr. BLANTON. But it was the distinguished gentleman from Illinois, Mr. DIRKSEN, the gentleman's colleague, who is a very good friend of the gentleman.

Mr. BREWSTER. Will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. BREWSTER. I would like to have it noted in the RECORD that this statement is made on a day when the gentleman from Illinois, Mr. DIRKSEN, happens to be in a hospital.

Mr. BLANTON. It was drawn out of me by the gentleman from Indiana, or I would not have given his name. I have nothing to keep secret.

Mr. SCHULTE. Mr. Chairman, I only have 5 minutes. I decline to yield further.

It was further asserted that my picture was in several taverns. That is right. If they will go back into my district they will see it in practically every tavern. If the gentleman remembers, I voted wet, and I helped bring beer back, in my humble way. My picture is in a great many grocery stores and homes also—not because of its attraction.

Mr. HOEPPEL. Will the gentleman yield?

Mr. SCHULTE. Not just now. The other statement was made with reference to Mr. Fitzpatrick, a member of the Bar Association of the District of Columbia. I want to say he is as able a gentleman as ever came into the District to practice law. He is one of the men who appeared before our committee who did not ask for the job as attorney for that committee.

The CHAIRMAN. The time of the gentleman from Indiana [Mr. SCHULTE] has expired.

Mr. BREWSTER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SCHULTE. The assertion was made on the floor by my good friend from Texas, Mr. BLANTON, that Mr. Fitzpatrick had written the report relative to Mr. Garnett. That is an erroneous statement. He did not write the report. In addition to that, and in justice to Mr. Fitzpatrick, he refused to have anything to do with the report regarding Mr. Garnett. Now, those are just some of the things that developed throughout the hearings.

Mr. BLANTON. Will the gentleman yield?

Mr. SCHULTE. In just a minute.

Mr. BLANTON. I will promise to give the gentleman some of my time.

Mr. MILLARD. Mr. Chairman, a parliamentary inquiry. Where does the gentleman from Texas get all the time?

Mr. BLANTON. I have had some time promised me. What I said was that the five Washington newspapers, the Post, the Herald, the Star, the News, and the Times, all had said that Mr. Fitzpatrick and Mr. Seals wrote the report. That was my statement. I have the clippings from those newspapers showing that they all said that.

Mr. EAGLE. Will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. EAGLE. Before we get off of it on to serious matters, will the gentleman tell the rest of us where Tony's place is? [Laughter and applause.]

Mr. SCHULTE. I will say for the benefit of my colleague that if he will ask some of the other Members of the Texas delegation they will tell him it is located at 45 H Street NE.

Mr. EAGLE. Will the gentleman allow me to say that having been a political wet all my life I am the only one that I ever saw from Texas who is personally dry. [Laughter.]

Mr. SCHULTE. I certainly want to congratulate the gentleman.

Now, Mr. Chairman, relative to our good friend, Dr. Fitzpatrick, it is unfortunate that his character was attacked; not that Dr. Fitzpatrick needs any defense. He is perfectly able and capable of defending himself. He has proven that innumerable times. We knew nothing about his little scrap with Mr. Garnett, and cared nothing about it. After all, he was there for the same purpose that we all were—to investigate crime conditions in the District of Columbia.

There is no denying the fact that there is crime in the District of Columbia. We have said nothing about Major Brown and said nothing about Inspector Burke or Mr. Garnett. The report speaks for itself, and I am not speaking for the committee. Every one who is a member of that committee is capable of speaking for himself, but I want to say that the Washington Police Department has several officers who are efficient. One of them is the very individual that the gentleman's friend from Chicago wanted to get, Inspector Burke. We have another great man at no. 1 precinct, Captain Holmes, called the "hard-boiled captain." That is all right. We agree with him. I am in thorough accord with him when he is hard-boiled because it makes for efficiency; that is what we want on the police force; and there is no denying the majority of the men are efficient. To my mind, I feel that he would make an excellent inspector.

The gentleman from Texas wrote me a letter. I do not want to dwell upon this long, inasmuch as I desire to be very generous with the gentleman from Texas relative to this letter; he states:

> I never harbor malice. Despite all you have done against me, I have no unkind feeling against you and I am willing to forgive and forget.
>
> But we Texans do not run away; we stand our ground.
>
> Very sincerely yours,
>
> THOMAS L. BLANTON.

[Here the gavel fell.]

Mr. SCHULTE. Mr. Chairman, may I have some additional time?

Mr. BLANTON. Yield him 5 minutes of my time.

Mr. PALMISANO. Mr. Chairman, I yield 5 additional minutes to the gentleman from Indiana.

Mr. EAGLE. I will say to the gentleman from Indiana that that is a Democratic agreement which is always kept.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I yield to the gentleman from Texas.

Mr. BLANTON. Have not the relations between the gentleman from Indiana and the gentleman from Texas been pleasant enough that I have been to his office and talked to him?

Mr. SCHULTE. Yes; they have.

Mr. BLANTON. And have I not been considerate of the gentleman?

Mr. SCHULTE. I do not say that the gentleman has been considerate; no, I do not know that he has. I am like Will Rogers; if anyone starts throwing rocks, I am going to run for cover and plead guilty. For that reason I say I do not know whether the gentleman has been generous or not. But I say this to the gentleman from Texas, that we Indianians do not run. [Applause.] If words in the dictionary fail us, we use physical strength, if necessary, to win our point.

Mr. BLANTON. I have wasted about all my physical strength trying to protect our worthy police-department officials and our splendid United States attorney, but I have a little left.

Mr. SCHULTE. Now, Mr. Chairman, I am not going to take up much more of the time of the House. It is unfortunate that this condition had to arise during the investigation of crime in the District of Columbia, but I am mighty happy that I have been a member of that committee. I have given of my time to the extent of 35 or 36 days. The committee worked earnestly and sincerely. A minority report will be offered, but I do not know just when the gentleman will take the floor. It has been suggested that the gentleman from Texas wrote the minority report.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. BLANTON. Not one word did I write in the minority report; not one word. I was not consulted about it, and saw it for the first time after it was prepared. I do not think the gentleman from South Dakota [Mr. WERNER] is a man who needs any help in writing his reports.

Mr. RANDOLPH. Mr. Chairman, will the gentleman yield?

Mr. SCHULTE. I yield.

Mr. RANDOLPH. Mr. Chairman, I have no desire to enter the discussion. I merely wish to say that I believe the gentleman from South Dakota [Mr. WERNER] wrote the report.

Mr. SCHULTE. Now, Mr. Chairman, I wish to say a word about our chairman. I have served on a number of very able committees of the House. I do not wish to cast any reflections, but the gentleman from West Virginia [Mr. RANDOLPH] has certainly been as fair and square as any chairman of any committee could be. He showed all witnesses every courtesy and consideration and was a gentleman at all times. I want to say to the people of the district from which he comes: "Keep sending JENNINGS RANDOLPH back here. He is the type of man we want and the type the people need in the Congress of the United States."

[Applause.]

Mr. BLANTON. Mr. Chairman, may I ask the gentleman a question relative to the report?

Mr. SCHULTE. Yes.

Mr. BLANTON. When is it intended to bring the report up for consideration?

Mr. SCHULTE. Most any day, I may say to the gentleman from Texas.

Mr. BLANTON. Then that will be the time for us to discuss it.

Mr. SCHULTE. That is right.

Mr. Chairman, in reference to Dr. Fitzpatrick, the other man who is accused, I want to say I have only known the Doctor since the time he appeared before the committee but our association and friendship has been the very best. I appreciate the gentleman in every respect. In talking to a number of attorneys in the city of Washington, I was informed that he is held in the highest esteem and is professor at the Columbus University; there can be no doubt about the fact that he is a very able lawyer. He was a great help and aid to this committee.

As for myself I am going to leave that to the Members and to the people of my own district. I thank you.

[Here the gavel fell.]

Mr. BREWSTER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. REED].

Mr. REED of Illinois. Mr. Chairman, as you know, I am one of the new Members of this House. This is the first opportunity I have sought since being a Member of this House to address you. I address you today in regard to the report of the Special Crime Committee and to the remarks that have been made in the RECORD of this Congress against some of the members of that committee. I feel that it is pertinent and proper for me to talk at this time.

I refer particularly to that portion of the address by the gentleman from Texas on Thursday last, wherein he quotes from the testimony of JENNINGS RANDOLPH in the case of the United States against Roy Hugh Jarvis. The gentleman from Texas quotes questions and answers that were given in that case wherein the distinguished Chairman of the Crime Committee, the gentleman from West Virginia, was a character witness.

The gentleman from Texas states that this question was asked:

"How long have you known him?"—meaning the defendant—to which the gentleman from West Virginia replied, "Fifteen years." Then the question was asked, "Do you know his reputation among those people?" to which the answer was, "Good."

The gentleman from Texas then condemns the gentleman from West Virginia [Mr. RANDOLPH] for answering the question as he did in saying that the reputation of the man on trial was good. If, Mr. Chairman, as the gentleman from Texas contended, there was anything improper in the framework of the question—and I think all lawyers in this body will admit that it was improperly worded—I say to you it was the duty of the district attorney who prosecuted that case to object to such a question and not allow the attorney for the defense to ask it of the gentleman from West Virginia.

Mr. BLANTON. He did object to it.

Mr. REED of Illinois. The record does not show it.

Mr. BLANTON. That was afterward.

Mr. REED of Illinois. The gentleman from Texas did not put that in the RECORD. Again I quote from the remarks of the gentleman from Texas last Thursday.

If we Members of Congress would let the courts in Washington alone, if we would not allow ourselves in our official capacity to go into the court room as character witnesses to help men who have been indicted for crime to escape punishment, the District attorney would not have so much trouble and might have a better record of convictions.

The laws of the United States and the laws of the several States of the Union permit people to go into the courts and prove the good character of any person charged with a crime. It is proper that they should have this right. In this country we do not consider a man guilty until he has been proven guilty, but on the contrary we consider him innocent until proven guilty beyond all reasonable doubt. If good reputation and good character of a defendant in a criminal trial create a reasonable doubt in the minds of a jury, it is enough to acquit a defendant of the crime with which he stands charged. It is proper and just that that be so.

Mr. Chairman, it was not only the right of the gentleman from West Virginia [Mr. RANDOLPH] to go into that court room and testify to the good character of that defendant, but it was his duty if the gentleman knew the defendant's character to be good.

I have only a few moments more. I am a Republican. I am a partisan Republican, but may I say that partisanship, republicanism, democracy, or any kind of "isms" that you may think of should not enter into the administration of the local government of the District of Columbia. Partisanship and politics, as our President has repeatedly said, should not interfere with the just enforcement of the criminal law. Partisanship and politics do not blind me to the sterling character and qualities of the many men and women who sit upon the opposite side of this Chamber.

Mr. Chairman, I want to say at this time that I feel that the insinuation and the innuendo contained in the remarks made by the gentleman from Texas against the gentleman from West Virginia are unfair and unjust; that even though I sit on this side of the House and the gentleman from West Virginia sits upon the opposite side, and we differ upon major issues which come before us, nevertheless I consider him one of the most honorable, one of the most energetic, and one of the most distinguished gentlemen upon the floor of this House, and I am proud to get up at this time and say these few words for the gentleman from West Virginia [Mr. RANDOLPH]. [Applause.]

[Here the gavel fell.]

CRIME IN WASHINGTON

Mr. BREWSTER. Mr. Chairman, at the beginning of this session, without my seeking, I was placed upon the District of Columbia Committee and assigned by the distinguished chairman of that committee to serve on the subcommittee investigating crime conditions in the District of Columbia. We were charged with the responsibility by this House of investigating, under the terms of that resolution—

All forms of criminal activity in the District of Columbia, the probable causes for the commission of crime, law enforcement, law-enforcement agencies, the activities of the courts, and the conduct of the prisons, and to report to the House during the present session the result of such investigation, together with such recommendation for legislation as may be deemed advisable.

CHAIRMAN OF CRIME COMMITTEE

I went on that committee without previous acquaintance with any members of the committee. I have become acquainted during that period of service, of which you have read rather widely in the press, with the chairman of the subcommittee, the gentleman from West Virginia, who sits upon the opposite side of this House. I had never met him before. I have never met him in any social or personal way outside. I have known him simply as I came in contact with him in the performance of the service with which he was charged by the Membership of this body. I want to testify that in all of my observations he has conducted himself with propriety and with the utmost consideration for every witness who has come before the committee, whether that witness was a Member of this Congress or not. He has seemed to hold the balance even in exploring the cause of crime conditions in the District of Columbia, which are a challenge to the citizenship of the Nation.

ATTACKS ON COMMITTEE

Following the conclusion of this voluminous investigation, the transcript of which I hold in my hand, the committee submitted a report which has since been adopted by the District of Columbia Committee and is now in order for consideration by this House. Throughout the progress of those proceedings, this floor has been repeatedly occupied by one who has challenged not merely the competency of the committee but the integrity of certain of its members and has sought, as it seemed to me, by an exercise of his admittedly great talent, his admittedly extraordinary experience in procedure, and by his command of the situation engendered by his years of experience here to discredit not merely the committee but the report which it has submitted to this House.

Mr. Chairman, if this were merely a personal matter, involving the members of this committee, it would be of little consequence what should be the issue, but when we find that we are charged with determining the causes for the unprecedented record for crime in the District of Columbia, it would seem it must transcend those merely personal considerations which might persuade us not to cross swords with a gentleman who has demonstrated on this floor and in his own district his capacity in combat. We cannot sit idly by and let our membership be discredited, or its competency or its purpose, without sacrificing something very much greater than our own personal reputation.

GENTLEMAN'S AGREEMENTS

Mr. Chairman, what did we find in the course of this investigation? In going into the conduct of the police department we found that the promotions within that department were the subject of so-called "gentleman's agreements", without the knowledge of the Commissioners charged with the responsibility of the affairs of that department. I have not had personal experience in the office of a prosecutor, but as one with executive experience I can conceive of nothing more nicely calculated to break down enforcement agencies than to have it known of record that the promotion of members of the police department depended not upon their individual record but upon the intercession of those outside who might temporarily have influence or power. [Applause.]

Mr. Chairman, I wish to read into the RECORD here what was disclosed in our investigations, and this appears on page 495 of the report. This is a letter sent to the Superintendent of Police of the District of Columbia, and reads as follows:

MY DEAR MAJOR BROWN: You will remember the gentleman's agreement we had that the Assistant Superintendent only wanted to hold the office a short time and would then retire, and that

you would then give the place to Inspector Albert J. Headley. I am counting on you to carry out this agreement and would appreciate your advising me just how soon this change will be effected.

Very sincerely.

This is signed by the gentleman from Texas.

Further on, a second letter was submitted, on page 497, in which he says:

DEAR MAJOR BROWN: Thank you for your letter of the 8th instant. In it you use the following language:

"It was our understanding that there would be a vacancy in this position very shortly, due to the retirement of one of the assistant superintendents."

The above does not quite state the understanding. It was distinctly stated by you that the one who was to be appointed to this specific position provided for in that bill only wanted the position for a few months, as he intended to retire anyway, and only wanted it—

And only wanted it, he says—

"For the purpose of increasing his retirement pay." And I was assured that he would retire in a few months, and I am counting on you to see that he keeps his agreement, and does retire at an early date, because he has now held the position longer than was contemplated at the time we had our gentleman's agreement.

With kind personal regards, I am,

Your friend.

Signed, again, by the gentleman from Texas.

Mr. BLANTON. Having called my name, will the gentleman be fair enough to yield?

Mr. BREWSTER. Mr. Chairman, I will not yield at this time or until I have concluded my statement.

The CHAIRMAN (Mr. LUCAS). The gentleman from Maine declines to yield.

EFFECT ON POLICE MORALE

Mr. BREWSTER. I can conceive of nothing more nicely conceived to help wreck the administration of criminal justice in the District of Columbia than correspondence indicating conduct of this character. I can conceive of nothing that would more quickly undermine the morale of the police force of the District of Columbia than for it to be administered in any such manner as would be indicated by correspondence of this kind.

Racketeering, all the petty forms of crime, and everything else pale into insignificance when we approach the fount of justice, and men know that their lives and their liberties may be subject to the administration or the prosecution of men who are selected by a "gentleman's agreement" of this character.

I do not ask you to characterize it as a conspiracy. I am entirely willing to accept the terminology of the correspondence here disclosed.

CRIME CONDITIONS IN WASHINGTON

And what did we find? We found that the city of Washington, administered since the foundation of this Nation by the Congress of the United States, stands now with an unenviable preeminence in practically all of the forms of crime. We found that among the eight other cities of our country of comparable size, Washington stands second in murder, first in robbery, second in burglary, first in grand larceny, and second in auto thefts. In proportion to population Washington has two and a half times as many murders as New York and 40 percent more murders than Chicago.

Do we wonder why it is that criminal justice has broken down? I do not accept the amiable suggestion of our Commissioner that, perhaps, it is because there has been such a concentration of job seekers here who, as he said in his evidence, being unable to find jobs, have then turned to some form of crime. I think this is an unjust and unwarranted reflection upon those gentlemen who have flocked here to Washington thinking this was the fount from which was distributed the manna from on high. [Laughter.]

So much for the administration of criminal justice and the so-called "gentleman's agreement."

I now approach the other angle which has incited the most alarm, and this is the office of the district attorney.

The district attorney appeared before our committee and testified fully and freely as to the conduct of his office. He was examined regarding his ideas as to the difficulties in this jurisdiction, and I think it is fair to say that we found him somewhat complacent as to the conditions that now prevail. His testimony is here for him who runs to read, and even those who have most earnestly advocated his cause, have been most ready to admit that it showed a lack of interest which might be calculated to stimulate the unfortunate conditions that now prevail. It was not until after these hearings were concluded and it was suggested that possibly the office of the district attorney might in some measure be responsible for our difficulties, that he leaped into action and filed with the minority report of the subcommittee a letter defending his course, which was before the committee before action was taken upon the report.

I think it is fair to insert here that it is further the understanding that the appointment of this particular district attorney was not allotted under the usual form of patronage now prevailing in the administration of the affairs of the majority party in this Nation.

I say this in justice to the distinguished chairman of the Democratic National Committee, with whom I have not always agreed, but I understand that if this be an act of omission or commission, it, at any rate, is not attributable to his door or to his very efficient method of selecting personnel.

Brushing aside all of the incidents and episodes, brushing aside any jealousies or animosities that may seek to obtrude themselves upon a consideration of this matter, withdrawing, if we may, to a little greater height and seeking to find the occasion for this difficulty, it seems to me we may well find it in the indifference and the lassitude with which even the most generous of his supporters must admit that he is convicted by the record written by himself before a committee of this House.

His colleagues and friends from Virginia have very naturally and generously given to him their support. No one outside has challenged his character or purpose nor have they insinuated that he is guilty of misconduct of that character.

We are asked why is he not impeached. Well, it is not the custom in American jurisprudence to impeach a man merely for nonfeasance, with which alone, in our judgment, he may justly be charged.

There is not one line in the evidence or in the report that suggests malfeasance on his part.

But is that any answer to our findings? Must we sit supinely by, impotent to act, to secure more vigorous prosecution simply because he is not charged with malfeasance? Must we permit his conduct or failure to act to be ignored? Such at least was not the understanding on which our committee proceeded, and the members of this committee, without regard to party, ask that our character and purpose shall be viewed with something of that generosity which all of us at sometimes in our lives must ask.

We ask that in seeking as earnestly as we may to carry out the high purpose with which we have been charged that your chairman and other members of your committee shall have the benefit of the assumption that they sought earnestly to serve the purpose of crime prevention in the District of Columbia.

FRIENDS

In conclusion, let me say that the only suggestion of a defense was the claim that it is customary for all Members of the House to look out for "their friends."

I wonder whether the people of Washington would not wish that in this body they might have some of us who would think of the friends of the 81 people who have been murdered in the last year. [Applause.] That we should think of the friends who have suffered by this unprecedented spread of crime. They are the people who in silence must yet ask us to brush aside the irrelevant personalities—whether or not the gentleman from West Virginia testified properly as a character witness or not. What has that to do with the question whether 81 people were murdered in Washington last year and why and how such crimes are to be prevented?

Let us ignore the red herring that would be thrown across our trail. Let us keep our eyes single in the determination of our course and not be perverted from our purpose.

WASHINGTON AS A MODEL

Let us go forward to eliminate the city of Washington—the Capital of our country—from its unenviable position of leadership in various forms of crime.

Let us place the city of Washington in the position it should occupy as the model city of this country and the world. [Applause.]

Mr. PALMISANO. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON]. [Applause.]

Mr. BLANTON. Mr. Chairman, among gentlemen it is not hard to understand a gentleman's agreement. And among gentlemen they are never broken. There is nothing improper about them, because gentlemen do not enter into improper agreements.

Some of the greatest men in the United States have served in this body—men who have held exceedingly high positions. An ex-President of the United States once served in the House of Representatives after he had been President. United States Senators, after leaving the other end of the Capitol, have served here in the House. Governors of States have served here. Men in other high positions have served in this body.

But this House of Representatives is a great leveler for all men. Members here are rated and win their spurs by what they do here, not somewhere else. You cannot bring with you some position of high office held in the States. Here your standard of measurement is what you do here for the country, what you accomplish here, what are your motives, your intentions, your ability, and what has been your energy and application and fidelity to duty in behalf of the best interests of the people of the United States.

If you go over here to Charlottesville, Va., you will find there the tomb of one of the greatest Democrats and statesmen who ever served in this Nation, the man who wrote the Declaration of Independence. Look on his tombstone, and you will see an epitaph that he wrote himself. He does not say that he was President of the United States; he does not say that he had been a high Secretary in the big Cabinet. He does not say anything about other positions political. He says, "Here lies the author of the Declaration of Independence, here lies the man who founded the great University of Virginia." Accomplishments that meant something!

After listening to all speakers who preceded the last one, I did not intend to say anything, as those speeches gave no affront, but I am forced to reply to the last speech. The newspapers for the last 2 days have heralded the fact that I had been "ganged up" on, that there was a conspiracy in the air, that the Members had been meeting in their offices to arrange a program of attack upon me today. They said the gentleman from Maine [Mr. BREWSTER], the gentleman from West Virginia [Mr. EDMISTON], the gentleman from Indiana [Mr. SCHULTE], the gentleman from West Virginia [Mr. RANDOLPH], and the gentleman from Illinois [Mr. REED] had all arranged to get up here and make a preconcerted attack on me. I was ready for them, but they did not attack. The newspapers have pulled off a complete flop and ought to give all the gallery ring seaters their money back. The only thing the gentleman from Maine said was that there had been a gentleman's agreement about a police officer's promotion. What about that? Do they not have them in Maine? We have them in Texas, and the gentlemen down there live up to them. You never found a gentleman in Texas disregarding an agreement.

Here are the facts about that. The Senate—the House did not have a thing to do with it—put into one of the bills over my objection and over the objection of my chairman, the necessary salary for the position of an assistant superintendent of police, which had been created by the District of Columbia Committee, of which the above-named gentlemen are now members. The Senate forced it on us.

I have enough interest in this Nation's Capital which I have helped to upbuild for 18 years to see that a proper man is placed as assistant in the superintendent's office. I knew a man who had served here a lifetime of faithful service, Inspector Alfred J. Headley, a man who for 39 years has faithfully and honorably served on the police force. He had worked his way up from a private all the long way to a captaincy, and then finally to the position of inspector. Not one blot of dishonor was on his long record. When I helped our former colleague, Ernest Gibson, from Vermont, who is now a United States Senator, on that former investigating committee to clean up the city of Washington from crime—and we did clean it up—it was Albert Headley who helped us, loyally and faithfully. He was the man whom we could depend on at all times. He is as honest as Paul; he is a man of strict honor and integrity. He is a man absolutely truthful. He is unafraid; he is as brave as a lion. Because of seniority only he and Bean were eligible for the position. I was hopeful for him to get the position. His friends, legions of them, met here with me to try to help him to get this appointment. He had nothing to do with it. He was not seeking our help. It was the office seeking the man.

Headley knew nothing about our activities until we told him. We met together here, a whole bunch of his friends and neighbors, and started to get that job for him if we could, and then we found that this other officer, Inspector Bean, who had also served 39 years, who was poor as he could be, who had nothing, who was in ill health, and was fixing to move to Florida, claiming he could not spend another winter here, was going out of office to retire without a thing on God's earth except his retired pay, and if he could have that position for a little while he would retire on higher pay after 39 years of service. And his friends asked us to help him and to let him have it until he retired.

When Inspector Headley heard about it he said, "Sure, he is my police pal, give it to him, I am willing to wait; we have served together in cold and hot and every other kind of weather." He graciously stepped aside, and we, Headley's friends, then helped Bean, but we had an understanding with Bean's friends that when he retired the only man who was in line for that position through seniority was Inspector Headley, and they promised they would help him. We took the matter up with Superintendent Brown, and he agreed that he would have Inspector Headley appointed as soon as Bean retired. The gentleman from Maine did not read Major Brown's letters. Here is what Brown says about it:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 8, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 4th instant in which you refer to our conversation some months ago in connection with the position of assistant superintendent of police, in which it was our understanding that there would be a vacancy in this position very shortly, due to the retirement of one of the assistant superintendents.

In reply, permit me to advise that it is my understanding that one of the assistant superintendents contemplates retiring in the very near future, and although he has not mentioned it to me, through other sources he has made the statement that he would not continue in the service again during cold weather, and in the event this vacancy occurs our agreement will be carried out as discussed by us in your office.

It may be of interest to you to know that Inspector Headley is rendering me a most efficient service and is cooperating fully in bringing about improvements in the department.

I trust you are able to obtain a little rest from your arduous duties during the past session of Congress and your campaign for renomination.

I intended writing you before expressing the congratulations and best wishes of the membership of the police department on your renomination, which we know is equivalent to your election as a Member of Congress.

With personal best wishes, I am,
Sincerely yours,

ERNEST W. BROWN,
Major and Superintendent.

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
METROPOLITAN POLICE DEPARTMENT,
August 25, 1934.

Hon. THOMAS L. BLANTON,
Abilene, Tex.

MY DEAR CONGRESSMAN BLANTON: I am in receipt of your letter of the 15th instant, and before replying, I have endeavored to obtain, if possible, definite information as to the approximate time of retirement of one of our assistant superintendents, and the best

information at this time is that he contemplates asking for retirement in the next few months, possibly around January 1.

It was my understanding when we discussed this matter in your office that he contemplated retiring before cold weather.

I have already taken this matter up with Commissioner Hazen and advised him of our agreement in this matter, and as soon as we have the vacancy everything is arranged for the promotion of Inspector Headley to the position; and I want you to know that the agreement between us will be carried out, as I am most anxious to do something for Inspector Headley, especially in view of our many years of association together in the department; and I most certainly appreciate your interest in this, a matter of mutual interest to both of us.

Reciprocating your kind personal regards, I am, as ever,

Your friend,

ERNEST W. BROWN,
Major and Superintendent.

And your Commissioner Hazen the other day, when a petition with the names of 1,000 substantial citizens of Washington signed to it asking that Major Brown be kept in office, was presented to his Board of Commissioners of the District of Columbia, said: "I am glad of it; I welcome that; there is not a finer police officer in Washington than Major Brown"—the official with whom I had the gentleman's agreement about Headley. "There is not a finer police officer here", Commissioner Hazen said, and he further said Major Brown was the best superintendent of police Washington has ever had. He asked the papers to print the names of these 1,000 citizens who endorsed Major Brown, and not a paper printed any of the names.

Hearst's Herald and Times, the Post, the Star, and the News all stated emphatically that I had prevented the gentleman from West Virginia [Mr. RANDOLPH] from speaking Friday. I quote from Friday's RECORD, with permission of the House, just what, in fact, did occur, and from it you will see that I was not responsible for his failure but that I only contended for the right to have 3 minutes to reply, to wit:

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. SNELL. Reserving the right to object, Mr. Speaker, we met this morning at an early hour to take up the bill reported from the Ways and Means Committee. I think it is up to the majority to protect us at this time.

Mr. TAYLOR of Colorado. Mr. Speaker, I may say that the gentleman from West Virginia [Mr. RANDOLPH] feels that he was unduly attacked yesterday while he was absent, and that it is really a matter of personal privilege. If he rose to a question of personal privilege, he would be entitled to an hour.

Mr. SNELL. Well, if the gentleman has a matter of personal privilege, I cannot stop him, nor can anybody else.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. TABER. Mr. Speaker, I object.

Mr. STACK. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes on how to put some people to work without using P. W. A. funds.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. TABER. Mr. Speaker, I am going to object to anybody speaking before this matter is taken up from the Ways and Means Committee. I object.

Mr. RANDOLPH. Mr. Speaker, I rise to a question of personal privilege, but I will not take the hour to which I am entitled; I will take only 10 minutes.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. RANDOLPH. I wish to answer certain remarks made yesterday by the gentleman from Texas referring to testimony I gave in the district court on two occasions, and also his comment upon my service in the Congress.

The SPEAKER. In the opinion of the Chair it is not in order to rise to a question of personal privilege based on matters uttered in debate on the floor of the House. The proper course to be pursued under such circumstances is to demand that the objectional words be taken down.

The Chair does not think the gentleman can rise to a question of personal privilege under the circumstances.

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman has not stated a question of personal privilege, but I have no objection to his proceeding for 10 minutes.

The SPEAKER. The Chair has already ruled.

Then later, the following occurred:

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object if I can have 3 minutes for reply.

Mr. SNELL. Mr. Speaker, I demand the regular order.

Mr. BLANTON. Then I shall have to object.

Mr. SNELL. We do not want any preliminary speeches.

Mr. BLANTON. I do not want to object, but I have the right to answer him.

Mr. SNELL. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. I object, then.

Then later the following occurred:

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I renew my request to address the House for 10 minutes.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to address the House for 10 minutes. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I shall not object provided I am granted permission to proceed for 3 minutes to reply.

Mr. MICHENER. Regular order, Mr. Speaker.

The SPEAKER. The regular order is demanded. Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. I object unless I am granted 3 minutes to answer the gentleman.

The SPEAKER. Is there objection?

Mr. BLANTON. I object to the request and ask unanimous consent that the gentleman may proceed for 10 minutes, and that I may have 3 minutes for reply.

The SPEAKER. The Chair can only put one request at a time.

Mr. MICHENER. Regular order, Mr. Speaker.

The SPEAKER. The regular order is, Is there objection to the request of the gentleman from West Virginia?

Mr. BLANTON. I object unless the gentleman can be answered. Whenever a United States district attorney is attacked here the gentleman is going to be answered.

The SPEAKER. Objection is heard.

And then, the following occurred:

PERMISSION TO ADDRESS THE HOUSE

Mr. RANDOLPH. Mr. Speaker, I renew my request for 10 minutes and I am personally willing to give the gentleman from Texas as much time as he may desire.

The SPEAKER. The gentleman from West Virginia asks unanimous consent to address the House for 10 minutes. Is there objection?

Mr. BLANTON. Reserving the right to object, that is all right if I am given 3 minutes to reply.

Mr. MICHENER. Regular order, Mr. Speaker.

Mr. BLANTON. I object unless I can answer the gentleman for 3 minutes.

Mr. RANDOLPH. The gentleman can have an hour so far as I am personally concerned.

Mr. BLANTON. I am going to take an hour whenever you attack a United States district attorney appointed by your President.

Any fair-minded, unbiased person in the world would admit that I did not keep the gentleman from West Virginia from speaking. The above record shows that all on earth I wanted was 3 minutes in which to answer him, and to defend United States Attorney Garnett, and that unless I was given that privilege I was not going to allow anyone to attack Garnett.

WASHINGTON POST'S MISREPRESENTATIONS

Yet, in the Washington Post this morning was a malicious editorial headed "Sportsmanship Supreme", misrepresenting the above facts and deliberately trying to make its readers believe that I did not want the said gentleman to speak. It is a good thing that there are about 50,000 people in the United States who read the daily CONGRESSIONAL RECORD, and they have begun to check up on these Washington newspapers, and are finding out that they cannot depend on anything they see in them.

WHAT DOES EUGENE MEYER KNOW ABOUT SPORTSMANSHIP?

Eugene Meyer is the last man in the United States who ought to even mention good sportsmanship. He does not even know what it means. In this vicious editorial Eugene Meyer's paper pillories me. Eugene Meyer! He speaks about "Sportsmanship Supreme." Some of these days I am going to show you that Eugene Meyer is a man who, during the positions he has held for nearly 20 years in the Government, has filched this Government and the taxpayers of the country out of millions of dollars.

He took that money and helped to defraud the McLean children when their father was sick in a sanatorium and

could not protect himself or his children or his wife. He beat those McLean heirs, this infamous Eugene Meyer, who bemeans me this morning, out of $2,175,000 in a scheme to defraud them out of their Washington Post heritage.

Governor, I can take care of myself whenever the gang jumps on me. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. Mr. Chairman, I am grateful to my colleagues for allowing me to extend my remarks, as I have not yet concluded. There are several things more that I want this RECORD to show clearly and distinctly.

I never heard of George Reedy until a short time ago he was introduced to me by my colleague from Illinois, and that was some time after this committee had been holding hearings. He had attended the meetings of this committee, in its first meetings as one of the reporters for Hearst's Washington Herald. He was not my friend. Upon request he did give me a statement of what facts were in his knowledge, and not a single statement he made has been denied. He was then living at the University Club. Altogether I have seen him not more than four times in my whole life.

There are 1,306 policemen, officers, and men on the Metropolitan Police Force. I have never yet put a single man on that force. I have never yet had a single man promoted on that force. So all this comment about "congressional influence" is all bunkum, pure and simple. In my 18 years in Congress I have kept an injustice from being done 2 men, when vicious prejudice caused them to be demoted without cause, and one of their cases I appealed to the Comptroller General of the United States, General J. R. McCarl, before I got justice for him, and the other case I passed a special bill through Congress that forced justice to be done.

INSPECTOR ALBERT J. HEADLEY

I want every person who has access to the CONGRESSIONAL RECORD for Saturday, May 4, 1935, to see the numerous letters written by some of the leading and most substantial citizens of Washington, who have known Inspector Headley for the last 25, 30, 35, and 40 years, throughout his entire service on the Metropolitan Police Force, and you will see that they all certify to the fact that he is honest and reliable, that he is an efficient, fearless, faithful officer, and they have asked this Congress not to allow any injustice to be done him. And in my office I have several times that many more letters, all certifying to his worthiness.

UNITED STATES ATTORNEY LESLIE C. GARNETT

The 9 men who voted for this committee report against Garnett, only 4 of whom are Democrats, are all practically new men in Congress, none of them having had any years of experience here in Washington.

In the first place this committee had no authority from the House of Representatives to make any such recommendation. And it had no basis or reason or foundation whatever for such a recommendation.

United States attorneys are not removed on recommendations. They could be impeached, but even then they are given a fair and impartial trial by the Senate, and they are entitled to be heard, and they are entitled to have counsel, and they are entitled to offer witnesses in their behalf. None of these precious privileges and prerogatives have ever been accorded to United States Attorney Garnett.

Our colleague [Mr. PATMAN] asked that Mr. Garnett be allowed to be heard. This request was denied. The distinguished Members of the Virginia delegation in Congress justly asked that Mr. Garnett be allowed to be heard. Their reasonable request was denied. The rights and privileges usually accorded to the lowest down criminal have been denied Mr. Garnett.

REFLECTION UPON ENTIRE BAR

On page 2 of said report Fitzpatrick stated, "Applications were received from approximately 100 attorneys, who sought appointment as counsel to the subcommittee." Leading lawyers of Washington contend that the above statement is a reflection upon the entire Bar Association of the District of Columbia, as it is unethical for any lawyer to ask that he be employed, and that no ethical lawyer of any standing in Washington would have asked that he be employed as counsel, and they challenge this committee to give the names of any lawyers who asked to be employed. And I challenge this committee to name the lawyers who asked this committee to employ them.

CONDEMNED FOR NOT CONVICTING ENOUGH

In effect this unauthorized report in condemning Judge Garnett said that he was not an attorney who possesses a creditable record as a trial lawyer; that he did not have a broad knowledge and thorough understanding of Federal and District of Columbia laws and procedure; that he did not possess the vigor and energy to personally prosecute dangerous criminals; that he did not command the respect of the bench, the bar, his subordinates, and the citizens of the community; that he did not by his official conduct and personal behavior personify the dignity and the majesty of the law; that he did not by persistent and adamant prosecution of criminals symbolize the power of the Government to condemn and punish enemies of society, and that he lacked in executive and administrative ability and leadership, and that he is incompetent and should be removed from office.

POSSESSES ABOVE QUALIFICATIONS

Both the bench and bar of the District of Columbia have certified that United States Attorney Leslie C. Garnett is competent and that he possesses the above qualifications. This committee cannot find a judge in Washington who will condemn Judge Garnett. The 1,100 lawyers of Washington who belong to the bar association here have passed resolutions unanimously refuting the above charges, and certifying to Judge Garnett's efficiency and competency and asking that he be not removed. The 80 young lawyers of Washington who belong to the barristers' association have likewise endorsed him.

WILL NOT BE REMOVED

And this gesture of this committee is futile, and of no avail, for United States Attorney Garnett will not be removed.

BRING REPORT BEFORE HOUSE

I challenge Garnett's enemies to bring this report before the House of Representatives and let a vote be taken on it. The House of Representatives will not condemn Judge Garnett without a hearing. It will give him a chance for his life—and in effect it is his life—for his good name is worth more to him than his life. He is entitled to have his good name cleared by a vote of this House. And this House will never condemn him without a hearing and a trial.

MY AMMUNITION UNUSED

Being forewarned by Washington newspapers that five Congressmen were preparing to attack me today, and that I would be chastised up one side and down the other, I came here prepared to answer such attacks. But the attacks did not materialize. But I still have my ammunition. There is no use to waste it, so I will save it until this report is taken out, and then I promise all of my colleagues in the House that I am going to give you some facts regarding this attack on Garnett, Brown, and Headley that will open your eyes and surprise you.

WILL ATTEND TO WASHINGTON NEWSPAPERS IN DUE TIME

At the proper time, after Congress adjourns, and in a proper jurisdiction, I shall file suits against Hearst's Washington Herald and Times, Eugene Meyer's Washington Post, and the Washington Star, which lately has begun also to libel me, and will let them all attempt to prove in a court of justice the many misrepresentations they have continued to libel me with for months.

Mr. NICHOLS. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, I come today to plead the cause of my friend. Leslie Garnett is my constituent. He is my friend whom I have known for 40 years. I come with no charge against any man who sat upon the Committee on Crime. I am willing to concede and say now that I have never known a harder worker or a more faithful servant for his people than JENNINGS RANDOLPH, of West Virginia. [Applause.] I want justice, and justice alone for my friend. I only ask that you pass not upon this question

now but that in the cool, calm hours of your deliberation you read that testimony and then say if you do not think that before he shall be condemned he is entitled to a trial here or before some committee of this House.

For 40 years I have known him. Not a blemish or stain has ever come upon his record. I knew him as Commonwealth attorney of Virginia. I knew him as assistant attorney general of Virginia. I knew him as Assistant Attorney General of the United States. I knew him through the Wilson administration, when he served with distinction in that capacity, and I have known him since, handling big cases, handling them efficiently, and handling them well. O gentlemen on the Democratic side of this House, he has borne the banner of Democracy in every fight in which we have ever been engaged, and never shirked or never deserted his cause, but always was in the forefront, fighting for his party and its battles. When the time came that Virginia did not see the merit and leadership of the splendid gentleman who is now in the White House, this man, Leslie Garnett, at his own expense, was in Chicago helping to nominate Franklin D. Roosevelt as a candidate for the Presidency. Yet we are told that he was complacent in the face of crime. Leslie Garnett has never faltered in any duty that he has undertaken. I want you to read the atmosphere of interrogation when asked to define respective crimes. You can pass upon that at another time. The report has been answered in as able and comprehensive a manner, far more ably than I could, in the report of the minority, which I ask you to read.

Gentlemen, I am asking you not to assassinate my friend upon any hurried statement or brief examination such as has been characterized here, with not an opportunity to defend himself on charges that are brought against him. Circumstances were such that he had a right to think he was not on trial, and yet we are told, told in eloquent language, told with a rhetoric that is appealing, that crime conditions in the city of Washington are more menacing than in the United States or in any other city. Crime does not grow up overnight. Crime does not spring into being in an hour or in a day, but it is a slow growth of many years. Do you ask Leslie Garnett to perform in 1 year of service the Herculean task of cleaning the Augean stables? If crime exists in Washington as found by these gentlemen, has it come into being so much stronger and so much greater in the last year when Leslie Garnett has been district attorney? Are you not willing to give your Democratic district attorney an opportunity to clean house and correct conditions that exist in the city of Washington? I will tell you if you do, Leslie Garnett is the man for the job. He will carry the work through.

A question arose as to the power of the Senate to punish for contempt in the McCracken case. It does strike me as the irony of fate that the man who went before the Supreme Court of the United States, justifying the judgment of the Senate on McCracken and winning the conviction in justification of the Senate, should now be here pilloried as unfaithful to his trust and a menace to our institutions. Ah, gentlemen, read that record. I bring no charge against these gentlemen. I think they have made a mistake, as God knows I have made many, many mistakes in my life, but let us not pillory the man. Let us not execute him. Let us not send him out with a stain upon a reputation that has been unsullied up to this good hour. He is charged not alone with the administration of matters in the District courts, but with the administration of all the legal affairs in the District of Columbia.

I am not going to take any more of your time. All I ask for and all I plead for is your calm deliberation and study of these reports and this evidence, and at least to take my word. I can testify here as a character witness, and JENNINGS RANDOLPH was within his rights when he testified as a character witness.

The CHAIRMAN. The time of the gentleman from Virginia [Mr. BLAND] has expired.

Mr. PALMISANO. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. WEARIN].

Mr. WEARIN. Mr. Chairman, I shall take only a moment of the time of the committee to call attention to the fact that on March 18, 1935, there was introduced in the House by the gentleman from South Carolina [Mr. McSWAIN] the bill (H. R. 6793) to amend the Tennessee Valley Authority Act of 1933. That bill was recently laid on the table in the Committee on Military Affairs. On Friday of last week I placed a petition of withdrawal upon the Clerk's desk asking that the bill be taken away from the Committee on Military Affairs and brought to the attention of the House of Representatives on the floor. It concerns itself with an extension of the powers and activities of the Tennessee Valley Authority, a permission on their part to sell the surplus energy they are producing at that plant, and also certain other provisions with reference to a project that is foremost among the desired achievements of the new administration in Washington. I trust the Members will cooperate with me by signing the petition. It is entirely proper that such important legislation be considered and voted upon at the earliest possible date. The efforts of the administration toward rural electrification and servicing of the public at reasonable rates taking into consideration the amount of the investment involved, but not watered stock and excessive salaries or lobby expenses, should not be thwarted by a move to block the passage of H. R. 6793. I hope we can get the necessary signers this week.

Mr. KVALE. Mr. Chairman, will the gentleman yield?

Mr. WEARIN. I yield.

Mr. KVALE. May I say that as a member of the committee I shall be glad to sign the gentleman's petition. I have reason to believe, although I am not speaking for him, that the chairman of the committee is not displeased with the gentleman's action.

Mr. WEARIN. I thank the gentleman for his contribution. I am sure there are many other Members of the House who will join us in this effort in behalf of the public.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, there seems to be some objection to section 2 of this bill. This section requires all licensees holding liquor licenses to close at the same hour. It is said this provision ought not to apply to drug stores. Mr. Chairman, when the liquor question was brought before the House after repeal of the eighteenth amendment, I advocated, in order to compel licensees to obey the law, holding each individual licensee responsible, and I still maintain that position. We say to a man who holds a license that if he violates the law we will suspend or take his license away from him. In such a case the man who is strictly in the liquor business is completely put out of business whereas the drug store which is permitted to sell everything, including liquors, is permitted to continue with all other lines of his business.

Permitting licensees having other lines of business to continue open at prohibited hours has caused more violations of the liquor laws here, according to the authorities, than any other thing.

What does the A. B. C. Board say about this? I have here a letter from the members of that Board dated June 5, reading as follows:

GOVERNMENT OF THE DISTRICT OF COLUMBIA,
ALCOHOLIC BEVERAGE CONTROL BOARD,
June 5, 1935.

HON. VINCENT L. PALMISANO,
House Office Building, Washington, D. C.

DEAR MR. PALMISANO: An experience of over a year in the attempt to regulate the dispensation of alcoholic beverages in the District of Columbia prompts us to call to your attention the desirability of the enactment in the law of that part of the so-called "Dirksen bill" which applies to the closing of all establishments operated by holders of retailers' class A and B licenses after the hours wherein the sale of alcoholic beverage is permitted. The weakness of permitting a man to display in his windows or in his shelves goods which he could not sell became apparent at the outset, as a result of which the Board suggested a regulation by the terms of which, during such hours, all alcoholic beverages would be kept under lock and key by such an establishment. This was so violently objected to by the licensees that the regulation was not passed by the Commissioners. Since this time as time went on we found an increasing necessity for some corrective legislation.

It is not within the rule of reason to expect our licensees, some of whom are having economic difficulty, when a good customer comes to the store on Sunday, and either demands or attempts to persuade the storekeeper to sell that which is immediately available to him, to in either case refuse to sell during the forbidden hours. I think that although we have exercised the strictest supervision possible over these establishments there are more violations of this sort than any other. There is only one way in which this could possibly be prevented, and that is to station a watchman at the front door of each of these establishments, who would see all that went on inside. This, of course, is impossible.

When a case of this sort is presented to us, in the event we prove that it was within the knowledge of the licensee, actual or constructive, we revoke the license. This has undoubtedly diminished the practice. On the other hand, the urge to sell is so strong that even under these conditions where it can be done in comparative safety, as is not the case, we cannot conceive of the law not being frequently violated.

We do not need to call to your attention the utmost desirability of having such legislation as will render regulation more easy, as the alcoholic beverage control law should be enforced to the last letter and the Alcohol Beverage Control Board should receive all of the help possible to permit of such enforcement.

We have inquired of Maj. E. W. Brown, chief of the enforcement agencies in the District of Columbia, and beg, herewith, to enclose letter from him upon the same subject.

We have the honor to remain, with great respect,

Very truly yours,

ALCOHOLIC BEVERAGE CONTROL BOARD,
GEORGE W. OFFUTT,
Chairman.
AGNES K. MASON,
Member of the Board.
ISAAC GANS,
Member of the Board.

So all the members of the A. B. C. Board recommend the enactment of this law.

I read now a letter from Major Brown written to Mr. Offutt, chairman of the Board, on June 5:

MY DEAR MR. OFFUTT: With reference to our previous conversation and upon your request to submit my views, it is my opinion that there can be had a better observance and better supervision of licensed liquor dealers if all holders of A and B licenses are required to close their places of business during the hours when the sale of liquor under the license is prohibited.

This opinion is based on personal inspection of licensed liquor dealers, and is also the opinion of members of this department charged with the supervision of licensed liquor dealers.

Very truly yours,

ERNEST W. BROWN,
Major and Superintendent.

[Here the gavel fell.]

Mr. BREWSTER. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, presumably the city of Washington invited some guests to spend a portion of the week with them; at least, some of us have observed that we have a few visitors in the city.

This morning the papers told us that there was a strike on. The noon papers tell us that some of our guests were hauled out of taxicabs and that they had difficulty in going about the city. Is it not possible, with all the power which has been granted to the Federal Government during the past 2 years, that we might, on this occasion, in the Nation's Capital, maintain such conditions so that those who visit us can go about their pleasure and business in comparative peace and safety? It would seem that we here in the Nation's Capital might set an example to the rest of the country in orderly procedure—I mean in the city at large.

So I shall drop into the basket—and I am speaking now so that you may be thinking it over, if you care to, during the evening—a little resolution reading as follows:

Whereas, due to a strike affecting the means of transportation within the city of Washington, District of Columbia, an emergency affecting the good name of the Capital of the Nation and the operation of the Government has arisen: Be it

Resolved, That the President be, and he hereby is, requested to use whatever procedure and authority to prevent interference with traffic and to operate the usual means of transportation during such time, but not exceeding a period of 10 days from the 10th day of June 1935 as may be necessary to afford to our visitors the opportunity to view the various shrines and places of interest which we have in this District.

Regardless of the merits of the controversy, as to which many of us have no reliable information, and not attempting to force anyone to work or continue at his employment, those who do not choose to work at their usual jobs of driving taxis certainly have no right to insist that others who desire to work shall not have the privilege of so doing.

It goes without saying that they have no right to commit a breach of the peace, assault and battery, or violate any of the laws of the land.

Perhaps it is the duty of the city and the District to attend to this matter, but we, as national Representatives, owe it to our visitors who are here by the thousands, many with their wives and some with their families, to see that they have an opportunity to visit those places which are of interest to them and to view which many of them, at considerable expense, traveled long distances. [Applause.]

[Here the gavel fell.]

Mr. BREWSTER. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Chairman, my purpose in asking for this time is to add a little to the record that has been built up this afternoon with reference to the name of Leslie C. Garnett. I have no political interest and no personal interest in the controversy and I do not want to belittle the fine efforts the special committee has made in bringing out the revelations that should have been brought out. I am not competent to pass upon their decision because I have not had the opportunity to read these many hundreds of pages of testimony. I was a member of an investigating subcommittee of the Committee on Military Affairs that sat long months last winter, spring, and summer—sat for weeks after Congress left the city of Washington and returned after the general elections to continue that work.

The work of that subcommittee is still going on. As a member of the subcommittee I have had occasion time and again, as well as other members of the subcommittee, to confer with those in the office of the United States attorney. I want the RECORD to contain the statement, which I believe will be unanimously agreed to by every member of the committee, that no finer set of officials exists anywhere in the Government establishment than in the office of United States Attorney Leslie C. Garnett and his splendid staff of assistants. I believe they are actuated by the highest motives. They gave most valuable assistance to the subcommittee and deserve a large share of the credit, shall I say, for the success of that committee. Until I have had an opportunity to examine the record, I am sure I will find that the United States Attorney has done as well as any man could with the handicaps under which a city of this kind labors. Certainly the police force, as well as the administrative agencies are subject to greater political pressure here than in any other city. Certainly there are other handicaps and limitations. There may be other reasons for a condition that should and must be corrected, but I believe I will find that it is not the fault of Leslie C. Garnett or his staff of assistants.

[Here the gavel fell.]

Mr. BREWSTER. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. HIGGINS].

THE MEXICAN PROBLEM—STATESMANSHIP—NOT INTERVENTION

Mr. HIGGINS of Massachusetts. Mr. Chairman, exactly 2 years ago today, on June 10, 1933, almost at this very hour, eight distinguished Members of the United States Senate, headed by the leader of the Democratic majority, and with the whole-hearted support of the Roosevelt administration, rose in their places to denounce the persecution of the Jews in Germany. This was a courageous and an enlightened act. It marked the administration as eager to bear aloft a liberal banner. Above all, it displayed the desire of statesmanship to follow numerous precedents in American history wherein the principle of religious liberty had been vindicated by executive officers of the United States Government, including many distinguished American Secretaries of State and Presidents of the United States.

On this anniversary, June 10, 1935, 2 years after the display of senatorial indignation and protest, Mr. Speaker, I rise in the Congress to make it evident to the peoples of the world that one voice at least in this body will not re-

main silent as long as a persecution, more violent than that in Germany, and more protracted in that it has extended over 20 years, continues to outrage the sense of humanity of the civilized world. I believe, Mr. Speaker, with Abraham Lincoln that the true liberal is concerned about the cause of liberty everywhere. Precious as are the liberties of the upright Jewish race in Germany, they are no more important than the rights of both Christians and Jews in Mexico. The principle is the same and one would expect it to be applied equally, no matter what group or what denomination happens to be under attack. No intervention was demanded in the Senate on June 10, 1935, and none is required now. But statesmanship was in demand then and it is in demand more than ever on June 10, 1935.

BRITISH AND FRENCH DIPLOMACY ACTIVE

Furthermore, it must be recorded that American personal and property rights are being violated with impunity in Mexico. Although both the French and the British Governments have taken cognizance of the violations of French and British rights, the United States Department of State maintains an attitude of craven supineness in face of the repeated confiscations of American property in Mexico and despite the fact that thousands of American citizens are effectively deprived of the right to worship God according to the dictates of conscience. In order to prove that these assertions are established by indisputable proof, Mr. Speaker, I offer for the record several sworn statements by American citizens of high integrity, who have suffered grievously in Mexico and been offered no redress. There was a time when an American citizen, like the proud citizen of the British Empire, could repeat the Roman challenge: Civis Romanus Sum, and find that it was a passport of security with honor any place in the world. Today, in the words of the Borah resolution, "American citizens of the Christian faiths have been outraged and reviled, their homes invaded, their civil rights abridged, and their lives placed in jeopardy", and when they seek satisfaction from the duly appointed representatives of the United States Government they are not even accorded a fair hearing.

Mr. Chairman, I desire, today, to present to the Members of the Congress, in a brief and impartial manner, a subject that might be properly titled "Mexico's Challenge to American Ideals." Personally, I am grateful to have this opportunity for I feel that I shall have contributed, in an humble manner, to the duty that is upon me, as upon every liberty-loving American, regardless of race or creed, to give public notice to the communistic policy of the present Mexican Government and the outrages that are being committed in Mexico against every ideal that Americans have cherished from the time of the formation of our Government to the present day.

This is the greatest issue of the day confronting the free men of America, for it constitutes a savage endeavor, made right at our doors, to crush out every vestige of human liberty, every scintilla of individual rights. The barbarism of the present Mexican administration is directed against men and women of all creeds who dare worship God, their Creator, in the manner their conscience dictates. Liberty of education is denied—teachers are compelled to either submit to governmental ukase or to resign. Internes and nurses who fail to take an active part in vicious anti-God demonstrations are subject to expulsion; in many cases they have actually been deprived of their positions and thus effectively prevented from completing the studies required for their chosen profession. Freedom of assembly is abolished—citizens have no right to meet and voice their views. Freedom of the press is prohibited—freedom of worship is prohibited—ministers of the gospel, as in Nero's time, are cast out and churches denied the right to exist.

This sordid picture of the violation of human rights received my attention weeks before the present Congress convened. The tragedy, the outrages, the indignities that were being committed upon citizens of Mexico and the United States alike caused me to introduce the original resolution in this present Congress on this subject, House Concurrent Resolution No. 3, on January 8, 1935.

ALL RELIGIONS PROTEST

In presenting this indictment against the present Mexican Government for the consideration of my colleagues and the American public I desire to bring to public attention the immeasurable service rendered in this cause by many writers on this subject whose facts I have embraced in my remarks, by many of my colleagues in the House of Representatives, by a great number of the newspapers, particularly diocesan papers and numerous publications sponsored by practically all religious demoninations throughout the country, that have recognized the justice in the movement to have our Government use its good offices to prevent the recurrence of violation of human rights similar to those committed by the Mexican authorities in the past and insure a wholesome respect in Mexican officials for the fundamental American principle that all men are created equal and are endowed with the inalienable right to life, liberty, and the pursuit of happiness.

OUR DUTY AS AMERICANS

The American people find themselves confronted by a challenge of the fundamental principles and ideals that are the cornerstone of the structure of our Government. The source of that peril is in Mexico City. The climax of continued persecutions is near at hand, for no people can long suffer these outrages that have been imposed upon the people of Mexico by a godless and tyrannical minority in charge of state affairs in that country. The patience of the American people is as strained today as it was in 1925, when similar circumstances caused the then United States Secretary of State Kellogg to say, "The Government of Mexico is now on trial before the world."

NO DESIRE FOR INTERVENTION OR INTERFERENCE

Neither the American people nor the American Government has any desire to intervene by force or interfere in any way in the affairs of the Mexican Nation. We must, first and last, promote the cause of peace. An enlightened intercourse based on fuller knowledge and understanding of the facts must be encouraged. Thus guided, the right-thinking and justice-loving men and women in Mexico, if allowed their inalienable rights of freedom to think and to vote, will rescue their country and its administration from the depths of religious persecution and of tyranny into which it has been misled.

THE ORIGINAL MONROE DOCTRINE

There is no doubt that our own country, when it uttered the Monroe Doctrine, assumed a measure of real responsibility to maintain the independence under a democratic government of the Republics of this continent, to defend against tyranny and usurpation the peoples of those Republics.

The Monroe Doctrine explicitly protested against the acquisition on this continent of any material foothold by any government inimical in tradition to the principles of our American Government. By that pronouncement the United States gave notice it would oppose even by physical force such acquisition of territory. If the acquisition of territory may be injurious and perhaps eventually fatal to the stability or well being of our own Government and our own institutions, may not the dissemination of principles, without any acquisition of territory, be equally injurious and fatal?

UNDERSTANDING OF THE PROBLEM—A NEED OF THE HOUR

There is no thought with us of the use of physical force or of any of those measures that lead to war. War and the thought of war are abhorrent to us. This should not blind us to the urgent necessity of both understanding the crisis and of being insistent in the presentation and defense of those truths that alone will save the crisis from catastrophe.

The danger today is no less grave than when seizure of physical territory on this continent was threatened by foreign powers. That threat spelt ultimately, as the United States saw, the death of liberty in the young Republics to the south, and perhaps the death of liberty in our own land. The danger today is more subtle, more insidious. If the principles of liberty and true liberalism can be denied with

impunity in Mexico, they may be so denied in other Republics of Central or South America. They may be questioned in our own country, and if allowed to advance, may undermine our own understanding and our own enjoyment of true liberty. Whatever minor problem the Mexican situation presents, this is the major problem—this is the problem—that challenges every right-thinking American and on which America must both speak and act for its own defense.

The Republics of America are not only at the threshold of a period of rapid population growth and industrial development; they are equally with the rest of the world to feel the influence of the new political and social doctrines.

The problem which confronts our country today, in common with its neighbors of America, is: Shall we continue to maintain the high standards of justice, those eternal principles of human rights, upon which our system is founded and which are the lifeblood of our Nation, or shall we stand idly by while systems develop which deny and denounce those principles? Are we to be as zealous today in safeguarding our precious political heritage as were our forefathers 100 years ago, not guarding in rigid, fossil sameness, but conserving the foundations upon which it is erected, permitting it to grow and develop and become adjusted to the changing conditions of human life?

MEXICAN LIBERALISM, PAST AND PRESENT

In Mexico today, we are witnesses of wide-spread, radical social changes. The Mexican nation has survived almost 20 years of travail by which that nation has seen her moral and her physical strength sapped and wasted until she lies prostrate—helpless in the hands of her assailants.

Noble indeed was the cry of 1911. We fight not for the overthrow of one tyrant to set another on his throne. Alas, for the liberalism of those days, which demanded for man the greatest amount of individual freedom and liberty, and for the township and province the greatest amount of political autonomy consistent with national existence.

A new tyrant has indeed set himself up in Mexico—the tyrant of secularism, who defies God—denounces religion as man's worst enemy—and tramples under foot the rights with which man enters the world and of which he may not justly be deprived.

KNOWLEDGE WILL PRODUCE SYMPATHY FOR THE OPPRESSED

Loyalty to our own destiny demands that we defend our institutions as we did not hesitate to do of old; that we stay the hand which would set up on our continent a system and a law subversive of that which we have inherited. Our sympathy must go out to the suffering and the lowly of Mexico whose rights are being trampled upon.

Popular sovereignty is not functioning in Mexico. It is not functioning, not because the people are unworthy or incapable but because its place has been usurped.

It behooves us to know conditions in our sister Republic with a full and honest knowledge. It behooves us to extend the helping hand of moral and material support to those who would devote themselves to the upbuilding on our southern border of a nation that at least recognizes as does our own those principles of the fundamental rights of man which are not merely national but international, which are the cornerstone of that common union of an equal humanity for which we labor. It is our bounden duty to defend these against the teachers of new, tyrannical doctrines, the preachers of strange communistic beliefs, to the end that, functioning freely, the people of Mexico may rescue their nation from the morass into which she is being led.

AMERICAN RESPONSIBILITY

The impression is wide-spread among those who have knowledge of the recent history of Mexico that our Government bears the blame for what is happening in Mexico today. One cannot approach this subject on the theory that it is not within our province as a "good neighbor" to comment on the internal affairs of Mexico, for a review of our international relations with Mexico, documents and other papers of which there are a number on record with the State Department, will reveal we have disregarded the "good neighbor" theory and placed our relations with Mexico on an international-policy basis. Permit me to prove, if you will, by quoting from a carefully documented article appearing in the magazine America, published in New York City, August 2, 1926, that the American Government is more responsible than any other government, group, class, agency, or individual in perpetuating the rule of these tyrants from the regime of Carranza to the present day, whose aim has been to sovietize Mexico:

Many do not realize how much we are responsible for the Mexican situation. As a matter of fact, our country has intervened on at least two occasions, and, inasmuch as Calles, under Cardenas' regime, remains in power only because he enjoys our favor, we are intervening in Mexico right now.

We have not always permitted the Mexicans to fight it out among themselves and then recognized the winner. Our intentions may have been good, but the results have been different. Our purpose seems to have been to avert further disturbance and bloodshed. Both Woodrow Wilson and other administrations intervened in Mexico in a manner that has had a decided bearing on developments. In the former instance we even prevailed on Great Britain to cooperate with us by means of what some call a "concession" on Panama Canal tolls.

A BRITISH-AMERICAN UNDERSTANDING

The British, so we learn from published memoirs of Col. Edward House, felt aggrieved because Congress had passed a law exempting American coastwise shipping from payment of tolls. Mr. House writes:

"The American Government, on the other hand, felt that the British were hampering Wilson's policy in Mexico. The British Ambassador, Sir Lionel Carden, was known to be an advocate of Huerta."

Colonel House tells how he discussed the Mexican situation with Sir Edward Grey in London, and also arranged for a discussion between the President and a British official in Washington. Subsequently the British Foreign Office made it plain to Sir Lionel Carden that he must not take steps to interfere in any way with Wilson's anti-Huerta policy in Mexico.

Repeal of the Panama Canal tolls clause was urged by President Wilson, as well as by other Americans, on the ground that it violated the Hay-Paunceforte Treaty, whereby Britain had been granted equal treatment. Colonel House, in discussing the matter with Dudley Field Malone, a Democratic leader, on November 26, 1913, explained how the President's hands would be tied in Mexico if he did not have the sympathy of Great Britain in his plans.

AMERICAN CONCESSIONS TO BRITISH DIPLOMACY

House noted in his diary on January 21, 1914, that he and Mr. Wilson decided that it was better to make concessions (!) in regard to Panama rather than to lose the support of England in our Mexican, Central and South American policy.

Further on he adds:

"The success with which President Wilson forced the repeal of the Panama tolls exemption upon an unwilling Congress, thus securing the good will of the British, as well as vindicating the good faith of the United States, was followed almost immediately by the flight of Huerta from Mexico."

Huerta's elimination paved the way for the ultimate triumph of Venustiano Carranza, aided by the bandit chief Villa. While burning and looting their way toward Mexico City they were loud in professing their devotion to liberty and popular welfare, but the constitution of 1917 drawn up by the Carranzistas gave the lie to these declarations by denying the fundamental human rights and religious liberty. Both Woodrow Wilson and Samuel Gompers, late president of the American Federation of Labor, had representatives at the Queretaro Convention which adopted this constitution, writes Bishop Kelley, of Oklahoma City, in the Southwest Courier.

A DEPLORABLE ACT OF AMERICAN INTERVENTION

Carranza was overthrown in 1920, and Obregon became President. When his term expired in 1924 he was grooming as his successor Plutarco E. Calles, leader of the radicals. Adolfo de la Huerta organized a revolution supported by the more conservative element. Again the United States intervened. The Detroit Free Press, a stanch champion of the Coolidge administration, stated editorialy on July 31, 1926, that Secretary Hughes lent "every moral and material assistance" to Obregon "in suppressing the revolt."

Under an act of Congress passed during the Wilson administration, President Coolidge imposed an embargo on the shipment of arms to private individuals in Mexico.

Before the lid on arms exportation was clamped down (reports Arthur S. Henning in the Chicago Tribune, July 31, 1926), the de la Huerta revolution had been making considerable headway. * * * The moment the supply was shut off by the embargo the de la Huerta revolution went to pieces.

Obregon remained in power and Calles became his successor, although he had taken part in the overthrow of Carranza, and in spite of the fact that the Mexican constitution bars from the Presidency a man who has participated "directly or indirectly in any uprising." (Art. 82, fraction 7.)

The fair-minded American citizen may judge in how far our aid in stabilizing the Carranza-Obregon-Calles-Cardenas regime involves the right and duty of our Government to demand that

the Mexican Government respect those principles of liberty and justice which have made our country the historic champion of freedom.

It is perhaps worth adding that in spite of our assistance we have not been able to obtain from the present regime even respect for American property rights, not to speak of more fundamental personal rights of American citizens in Mexico.

THE RESULT OF AMERICAN RECOGNITION OF CARRANZA

Property rights, more specifically the rights of the privileged Americans who had oil interests in Mexico, not human rights of life, liberty, and happiness, prompted Woodrow Wilson to recognize the government of the rebel Carranza, although at that time Mexico was abandoned to the savage passions of the revolutionary hordes who swarmed in from the mountains and valleys. Schools, colleges, and libraries, with their priceless manuscripts, were confiscated and destroyed. Ministers of the gospel, other clerics, and nuns were being murdered and ravished when Woodrow Wilson recognized the Carranza government in October 1915. The conditions of Mexico as a result of the orgy of insurrection were described in pathetic terms by eye witnesses to a committee of the United States Senate, which was appointed to report on conditions in Mexico by the Sixty-sixth Congress.

Therein is given a full and detailed description of how through the ruthlessness of Carranza the people of a great Republic were ravished, their culture wiped out, their property destroyed, and their very existence as a civilized nation placed in jeopardy. Have I not proven to your satisfaction that the regime of Carranza as President, and succeeded without interruption by Obregon, Calles, Cardenas, and Rodriguez and others, all of whom are members of the National Revolutionary Party, was only made possible by the policy adopted by the American Government? America has kept these brigands in power for 20 years.

THE CONSTITUTION OF 1917

Encouraged by the recognition which the Government of the United States extended to him in October 1915, and by the success of his army under the red flag, Carranza convoked an election of Congress on September 14, 1916, to be known as the "Congress of Queretaro." In this proclamation, Carranza naively remarks that his opponents have objected to his decrees and that, should he proceed to set up a government with no more formality than had been observed in issuing the decrees, his enemies would at once bring against it the charge that it did not have the sanction of the popular will, "which is sovereign." This proclamation is a colossal hypocrisy, and it is perfectly evident that in issuing it Carranza took infinite pains to make impossible the very thing which he pretended to favor, namely, a free and full expression of the will of the people of Mexico of its sentiments.

THE CONSTITUTION NEVER RATIFIED BY THE PEOPLE

Not only were the great majority of voters not permitted to vote, but, not trusting even his own followers, Carranza, in the law under which this election was held, prescribed that no candidate could be elected who was unable to prove that he had given material support to the Carranza revolution.

It cannot therefore in any sense be said that the constitution thus enacted is a supreme law freely adopted and approved by the people of Mexico. It was imposed upon the people by a chosen band of revolutionists, who did not have, by any means, control, even in a military way, of the Republic, and who had refused to fight under the national flag of Mexico but only under their own red banner.

This constitution has never been submitted to any form of ratification by the people of Mexico. Such is the law to which Calles and his defenders appeal when they claim they cannot accede to the demands of our State Department for justice to American citizens.

UNAUTHORIZED CHANGES IN CONSTITUTION

The constitution of 1917 is the instrumentality under which Mexico is governed today. Up to the time of the adoption of this constitution Mexico was governed from 1857 by the Juarez constitution. The thought of the times can be exemplified by a comparison of these two instruments.

Article 1 (1917) reads:

Every person in the United States of Mexico shall enjoy the guaranties granted by this constitution.

No mention of God or the inalienable rights of man. But how different from the earlier Mexican Constitution—that of 1857—which in the preamble and article 1 reads as follows:

In the name of God and by the authority of the Mexican people. The Mexican people recognize that the rights of man are the basis and the object of social institutions.

The very existence of the 1857 constitution was predicated on the fact that if God and the people approve it will be our constitution, while the 1917 constitution made no mention of either, it being signed on January 31, 1917, and promulgated without approval of the people 5 days later, on February 5, 1917. Carranza and his Congress were not content with the ordinary separation of church and state set forth in the constitution of 1857, but ruled that it must be more complete, and that the church must be denied her right to life and liberty. To compare a document like the constitution of 1917 with our American Constitution, embracing as it does the belief that men have an inalienable right to life, liberty, and pursuit of happiness, would be a sacrilege and a mockery.

"Our war is a war on God" blasphemously proclaimed the leaders of the national revolutionary party in a debate on Socialist education, and thus at last those who control the Government in Mexico cast aside the cloak under which they so long have tried to hide the ugliness of the regime they impose on the Mexican people.

NATIONAL CONFERENCE OF JEWS AND CHRISTIANS PROTESTS

Accepting the challenge, the executive committee of the National Conference of Jews and Christians, on October 25, 1934, immediately after the approval of Socialist education by the Mexican Congress, approved the text of the following statement and decided to submit it for signature to men and women recognized leaders in our country:

"The undersigned Protestants, Catholics, and Jews of the United States", the statement reads, "wish to express their conviction in regard to the necessity of the achievement and the maintenance of the religious liberty in all lands. We are especially concerned at the present juncture over the situation in Mexico, where many unprejudiced observers report that in the endeavor to achieve social justice and political reforms otherwise desirable, religious liberty is being imperiled. We register our alarm at every restriction upon the right of the churches to function, and the right of individuals to practice the religion of their choice.

"Recognizing that freedom from religious and racial intolerance is not fully achieved in the United States and in other countries of the world than Mexico, we acknowledge our responsibility to labor for its achievement everywhere. While refraining from discussing the immediate issues at stake in the controversies in Mexico, we desire to give our moral support to those who labor for freedom of worship there, and to express the anxiety with which we view every threat to liberty of conscience and the freedom of the soul."

ALL DENOMINATIONS PROTEST

More than 500 men and women of every denomination, leaders in their professions and prominent in public life, gave their names to this statement. The co-chairmen of this meeting were Newton D. Baker, Prof. Carleton Hayes, and Roger Strauss, and among the 500 signers were the following: Prof. Gaius Glenn Atkins, Dr. Robert A. Ashworth, President Albert W. Heaven, Prof. William Adams Brown, Dr. Edmund B. Chaffee, President Henry Sloane Coffin, Dr. Harry Emerson Fosdick, Bishop James E. Freeman, Dean Charles W. Gilkey, Rabbi Israel Goldstein, Dr. John Haynes Holmes, Dean Lynn Harold Hough, Rabbi Morris S. Lazaron, Bishop Francis J. McConnell, Dr. Charles Clayton Morrison, Rabbi David Philipson, Dr. George W. Truett, Dean Luther A. Weigle, Rabbi Jonah B. Wise, and Rabbi Stephen S. Wise.

ATHEISTIC EDUCATION PRAISED BY DANIELS AS "PROGRESS"

A review of the following oath administered to school teachers in Mexico by the direction of the federal education merely confirms the relentlessness of the Government in its attempt to drive God from the school as well as the home:

In the presence of the board of federal education, I, ———, declare that I unconditionally accept the program of the socialistic school and that I will make it known and defend it.

I declare that I am an atheist, irreconcilable enemy of the Catholic, Apostolic, and Roman religion, and I will endeavor to destroy

it, detaching the conscience from any religious worship, and I am disposed to fight against the clergy anywhere and whenever it will be necessary.

I declare my readiness to take a main part in the campaign of defanatication to attack the Catholic, Apostolic, and Roman religion wherever it may appear.

And I will not permit any kind of religious practices at my own home nor the presence of religious pictures.

I will not permit any of my relatives living under my roof to attend any religious ceremony.

The Mexican Government will not receive the support of men nor of nations that love justice if she persists in denying the fundamental right of the parent to care for the religious education of his child; if it drives God from the school as well as the home.

In order to show that this is an organized assault on all religion, inspired by hatred of the infinite majesty of God, I subjoin two other forms of this solemn pledge as it is exacted in the states of Michoacan and Guanajuato. I give the authentic Spanish text and an accurate translation of the essential clauses, proving up to the hilt that the Federal Government of Mexico is supporting and inspiring this attack on God.

PLEDGE—STATE OF MICHOACAN

[Original Spanish]

Copia fiel del questionario de educacion de Michoacan

DECLARACION IDEOLOGICA

Nombre de Maestro _____.
Estado civil _____ edad _____ anos.
Normalista o no Normalista _____ Normal de _____

I. Declaro que estoy dispuesto a cumplir y hacer que se cumpla el Articulo 3o. Constitucional.

II. Declaro que estoy dispuesto a secundar los propositos de la Ensenanza socialista y a las Instituciones y Gobierno de la Republica en la implantacion de dicha Ensenanza en las escuelas.

III. Declaro que estoy dispuesto a difundir sin reserva los postulados y principios del Socialismo que sus tenta el Gobierno Nacional.

IV. Declaro Categoricamente que no profeso la religion catolica ni otra ninguna.

V. Declaro Categoricamente que combatire por todos los medios las maniobras del clero catolico y demes religiones.

VI. Declaro Categoricamente que no practicare ningun acto del culto interno ni externe de la religion catolica o de cualquiera otra religion. Lugar y fecha _____.

_____ _____,
Firma del Maestro.

El Inspector Escolar Federal que subscribe, hace constar que le firma que antecede es la que usa el maestro intersado en sus asuntos oficiales.

_____ _____,
Firma del Inspector.

VoBo.

_____ _____,
Director de Educacion Federal.

[English translation]

(A true copy of the questionnaire required of all public-school teachers in the State of Michoacán)

DECLARATION OF PERSONAL IDEOLOGY

Name of teacher_____
Civil condition_____Age_____
Normal-school graduate or not_____Name of institution_____

I. Declaration of adherence to article 3 of the constitution (socialistic education).

II. Declaration of purpose to inculcate doctrines of socialism of the Republic.

III. I declare my purpose to teach without reservation the postulates and principles as they are proposed by the national government.

IV. I declare absolutely that I do not profess either the Catholic faith or any other religion.

V. I declare absolutely that I will combat by all possible means the efforts of the Catholic clergy and all other ministers of religion.

VI. I declare absolutely that I will not practice any act of religion, interior or exterior, be it of the Catholic Church or any other religion.

Place and date.

_____ _____,
Signature of Teacher.

The inspector of federal education who affixes his name must ascertain that the above signature is the one employed by the teacher in all his official business.

_____ _____,
Signature of Inspector.

_____ _____,
The Director of Federal Education.

A similar questionnaire to that required in the State of Michoacan is required in Guanajuato, but the emphasis in Guanajuato is on socialistic education.

A RECENT INTERVENTION BY DANIELS

Now, for the sake of the RECORD I add a quotation from the radio address delivered by the Honorable Josephus Daniels, American Ambassador to Mexico, Sunday, April 7, 5 p. m., inviting the Rotarians to visit Mexico.

The Mexicans—

Declares Daniels—

are going forward in education. • • •

Does Mr. Daniels really believe that a solemn renunciation of God and religion on the part of public-school teachers represents progress in education? Does Mr. Cordell B. Hull support our Ambassador in his position? Does the President of the United States condone this dangerous flattery of an educational system that not only strives to exclude God but leads an attack on all religions? Do Messrs. Daniels, Hull, and Roosevelt contend that a denial of the parents' right to educate children is "to go forward in education"? Has Mr. Roosevelt forgotten that the first President of the United States, Gen. George Washington, in his Farewell Address praised religion and morality as the firm foundation of good government? Do not Messrs. Daniels, Hull, and Roosevelt know that in the case of Pierce against the Sisters, as well as in the case of Meyer against Nebraska, the highest tribunal in this land, the Supreme Court of the United States, by an overwhelming majority repudiated the unethical, un-American doctrine that the child is the property of the state? To be sure, Mr. Daniels, with amazing effrontery, is permitted to criticize the United States Constitution as a relic of the "oxcart" days. But that Constitution will stand long after Mr. Daniels has ceased to misrepresent us in Latin America. Thank God for the Supreme Court and the Bill of Rights of the United States Constitution! Millions of my fellow citizens will join me in the confident belief that the Court and the Constitution will outlast the rhetoric of Messrs. Daniels, Hull, and Roosevelt.

TESTIMONY OF ROBERT HAMMOND MURRAY

Careful students of public affairs who have spent 20 to 30 years in Mexico do not make the mistakes committed so openly and so incautiously by Mr. Daniels. I offer in proof the letter of Mr. Robert Hammond Murray, whose recent articles in Today clearly establish the anti-God character of the Mexican persecution. Speaking of the unwise propaganda utilized by a representative of the United States Department of State to attract the Rotarians to Mexico City, he declares in the New York Times—letter is dated May 18, 1935:

Both Rotarians and Lions, by yielding to long, strongly organized and determined pressure and entreaty, emanating from official and other sources in Mexico City, including a representative of the United States Department of State, to seat their conventions there, incautiously, and probably naively, delivered their bodies and members over to the use and profit of the elaborate and very efficient propaganda machinery of the Calles dictatorship. High officers of the Rotarians and Lions now should realize this, even if in the beginning they did not, for latterly they have been amply informed.

The campaign to win the conventions to Mexico City was from the start conceived, planned, designed, and still in essence comprehends, purely a publicity coup. Upon the theory that most of the several thousand delegates who are expected to attend the conventions will return to the United States and other countries of their origin ardent and serviceable gratuitous propagandists for the Calles regime.

In fairness to the Rotary and Lions officials it should be said that they decided to meet in Mexico City before the antireligious movement assumed nation-wide form. Also before members of the Cabinet of President Cardenas a few weeks ago publicly declared, without rebuke or denial from him, as a special correspondent in Mexico of the New York World-Telegram on May 6 reported one of the Executive's advisers as saying, in answer to the question, "Is Mexico headed toward communism?" that "It decidedly is. We are directing all of our energies to this end." And also before the Minister of Education, Garcia Tellez, recorded himself as insisting: "Private property can have no place in the revolutionary scheme."

One may reasonably question if a majority of American Rotarians and Lions, no matter whether they be Protestants, Jews,

or Catholics, will knowingly and of their own consent enroll themselves, or permit themselves to be enrolled, as being in favor of the doctrines and policies quoted, or willingly approve of their organizations being employed as propagandists, directly or indirectly, of a government or a political faction that proclaims such doctrines and policies.

ROBERT HAMMOND MURRAY.

NEW YORK, *May 18, 1935.*

The Mexican Government will not receive the support of men or of nations that love justice if she persists in denying the fundamental right of the parent to care for the religious education of his child; if it drives God out of all schools; if it makes of public education a political and governmental tyranny.

Our American Government stands upon two principles. The first is respect for and defense of the inalienable rights of the human individual, which majority rule may never violate, but must always support. One of those rights is the right of conscience, or religious liberty.

THE UNITED STATES SUPREME COURT ON EDUCATION

The second principle is like unto this first—freedom of spiritual, moral, and intellectual development, which, in a word, is freedom of education.

The decisive words on this subject were spoken by the Supreme Court of the United States (*Pierce* v. *The Society of Sisters,* 268 U. S. Repts., p. 535), Justice McReynolds—

The fundamental theory of liberty, upon which all governments in this Union repose, excludes any general power of the State to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the State; those who nuture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations.

We believe that of this individual freedom is born responsibility; and, in our common corporate expression of it and its consequences, America has made and is to continue her life for the general welfare of all her citizens.

To know that the Government of Mexico is absolutely denying these principles today and advocating a political doctrine with which no American can agree, it is sufficient to read the present constitution of that country.

MEXICAN CONSTITUTION VIOLATES HUMAN RIGHTS

That constitution prohibits a minister of religion from teaching in any primary school, whether the school be public or private. Article 3 reads:

No religious corporation nor minister of any religious creed shall establish or direct schools of primary instruction.

Any school erected for the teaching of religion shall ipso facto become the property of the Federal Government, and in all matters, curriculum, teachers, and so forth, shall be under the direction of said Federal Government (cfr. art. 130).

No minister of religion nor a religious corporation is allowed to initiate or maintain any institution for scientific research (art. 130).

How shall we reconcile these facts with the first clause of article 3 of the constitution, which, copying the law of 1857, declares that education in Mexico shall be free?

FREEDOM OF THE INDIVIDUAL IS ABRIDGED

The insurgent band at Queretaro, having no hope of being able to mold these communities of devoted men and women to their materialistic program, decided upon the destruction of all religious orders.

Article 5 of the constitution provides:

The States shall not permit any contract, covenant, or agreement to be carried out having for its object the abridgement, loss, or irrevocable sacrifice of the liberties of man, whether by reason of labor, education, or religious vows. The law, therefore, does not permit the establishment of monastic orders, of whatever denomination or for whatever purpose contemplated.

Young men and women desiring to enter even the secular ministry of religion are, under this provision, to do so at the risk of having incurred an irremovable impediment against their entering any other field of learning should they discover any incompatibility in the ministry to which they sought to devote themselves.

Under no conditions shall studies carried on in institutions devoted to the professional training of ministers of religious creeds be given credit or granted any other dispensation of privilege which shall have for its purpose the accrediting of the said studies in official institutions. Any authority violating this provision shall be punished criminally, and all such dispensation of privilege be null and void, and shall invalidate wholly and entirely the professional degree toward the obtaining of which the infraction of this provision may in any way have contributed.

FREEDOM OF THE PRESS IS SUPPRESSED

Not only is the church prohibited from engaging in any organized work of education—not only the ministers of religion and the church—but laymen may not even engage in the open discussion in the press of topics of every day interest. The same article 130 provides:

No periodical publication which either by reason of its program, its title, or merely by its general tendencies, is of a religious character, shall comment upon any political affairs of the Nation, nor publish any information regarding the acts of the authorities of the country or of private individuals, insofar as the latter have to do with public affairs.

Thus, the framers of the 1917 constitution sought to drive the church from a field of social action in which the church has rendered services of incalculable value to human society in all ages since her foundation and under all flags where she has been organized.

THE LAW ITSELF IS PERSECUTION

The constitution provides that only such ministers shall officiate as have been so designated by the legislature of the particular State, and no foreign-born may minister. Article 130 reads:

The State legislatures shall have the exclusive power of determining the maximum number of ministers of religious creeds, according to the needs of each locality Only a Mexican by birth may be a minister of any religious creed in Mexico.

To know these provisions of the present Mexican Constitution is to know that they are absolutely irreconcilable with justice and the rights of man. They tell plainly a warfare against religion—a deliberate endeavor to destroy its growth; to pull out its roots. We cannot accept it. Our whole national life has been a protest against such iniquity. It is abhorrent to every human instinct of fair play.

Upon the authority of the Most Reverend Leopoldo Ruiz y Flores, apostolic delegate to Mexico, who is presently in exile at San Antonio, in 14 States in Mexico ministers of the gospel are prohibited by law. The statistical table listed below, shows the number of priests authorized by law and taken from the Brooklyn Tablet, issue of February 2, 1935, is conclusive proof of the statement, "Our war is a war on God."

This chart shows that there are 14 States without a single priest, 3 in which only 2 priests are authorized to care for the spiritual needs of from 132,900 to 493,530 people, and that 333 priests are to serve an overwhelmingly Catholic population of 15,012,573 souls. The chart, which gives the area and population of each State, as well as the population per authorized priest, is as follows:

State	Area in square miles	Number of priests authorized	Population per priest	Total population
Aguascalientes	2,489	2	66,450	132,900
Campeche	19,853	0	----------	89,860
Colima	2,010	0	----------	62,301
Chihuahua	94,831	0	----------	440,000
Coahuila	58,057	5	87,285	436,425
Chiapas	28,732	0	----------	528,654
Durango	42,278	2	246,765	493,530
Federal District	573	25	49,183	1,229,576
Guanajuato	11,801	39	25,000	987,970
Guerrero	23,887	0	----------	641,690
Hidalgo	8,063	5	133,400	667,000
Jalisco	33,497	50	25,104	1,255,213
Lower California	51,386	0	----------	95,516
Mexico	8,263	34	29,120	990,112
Michoacan	23,198	33	31,769	1,048,381
Morelos	1,917	40	3,318	132,723
Nayarit	10,445	5	33,545	167,724
Nuevo Leon	30,737	28	14,920	417,479
Oaxaca	36,415	(1)	----------	1,082,191
Puebla	13,125	23	50,018	1,150,425
Queretaro	4,431	2	116,827	233,655
San Luis Potosi	24,417	40	14,495	579,831
Sinaloa	22,582	0	----------	395,027
Sonora	70,476	0	----------	316,271
Tabasco	9,760	0	----------	224,168
Tamaulipas	30,767	0	----------	344,589
Tlaxcala	1,555	0	----------	205,578
Vera Cruz	27,759	0	----------	1,376,476
Yucatan and Quintana Roo	23,928	0	----------	838,964
Zacatecas	28,025	0	----------	448,344
Total	745,257	333	----------	15,012,573

[1] No exact data.

In several States—Nuevo Leon, Michoacan, and others—local authorities, by canceling licenses issued to priests, by expelling priests from their parishes, or by refusing to issue licenses to fill vacancies that occur, have reduced the number of priests actually officiating in the State to a number less than that authorized by law.

For example, in Nuevo Leon alone 8 priests have been disqualified in some manner and thus the number of priests authorized, 28, has been reduced to 20.

Although exact data for the State of Oaxaca has not been obtained, it is believed that no priests are officiating there. The Most Reverend Jose Nunez y Zarate, Archbishop of Oaxaca, and at the time the only Catholic clergyman allowed to officiate in the capital of the State, was forced to leave Oaxaca last November and take refuge in Mexico City.

For years we have learned to look upon Russia as the seat of the anti-God movement in the world. From the kingdom set up in Russia on the ruins of the imperial house of Romanoff we have witnessed the spread of Sovietism and the anti-God movement both east and west until today that movement has taken complete possession of the country south of the United States, standing as a menace at the threshold of the United States, the mightiest and most civilized Republic in all Christendom today.

BILL OF PARTICULARS

The history of Mexico, for the past 20 years, since the time of Carranza, of its murder, of its outrages, and its persecution are too well known to review at this point. People throughout the civilized world protested in 1928 against the indignities that were being committed in that country against men and women who dare worship God in the manner their conscience dictated. This wave of protest led to a conference between the representatives of the government and the church on April 4, 1928, and May 17, 1928. The agreement entered into was not adopted finally because of internal disturbances and the assassination of President Obregon, until June 21, 1929, when President Portes Gil issued the following statement:

I have had conversations with Archbishop Ruiz y Flores and Bishop Pascual Diaz. These conversations took place as a result of the public statement made by me on May 8.

Archbishop Ruiz y Flores and Bishop Diaz informed me that the Mexican bishops have felt that the constitution and the laws, particularly the provision which requires the registration of ministers and the provision which grants the separate States the right to determine the maximum number of ministers, threaten the identity of the church by giving the State the control of its spiritual offices.

They assure me that the Mexican bishops are animated by a sincere patriotism, and that they desire to resume public worship if this can be done consistently with their loyalty to the Mexican Republic and their consciences. They stated that it could be done if the church could enjoy freedom within the law to live and exercise its spiritual offices.

I am glad to take advantage of this opportunity to declare publicly and very clearly that it is not the purpose of the constitution, nor of the laws, nor of the Government of the Republic to destroy the identity of the Catholic Church or of any other, or to interfere in any way with its spiritual functions. In accordance with the oath of office which I took when I assumed the provisional Government of Mexico to observe and cause to be observed the constitution of the Republic and the laws derived therefrom, my purpose has been at all times to fulfill honestly that oath and to see that the laws are applied without favor to any sect and without any bias whatever, my administration being disposed to hear from any person, be he dignitary of some church or merely a private individual, any complaints in regard to injustices arising from undue application of the laws.

With reference to certain provisions of the law which have been misunderstood, I also take advantage of this opportunity to declare:

1. That the provision of the law which requires the registration of ministers does not mean that the Government can register those who have not been named by the hierarchical superior of the religious creed in question or in accordance with its regulations.

2. With regard to religious instruction, the constitution and the laws in force definitely prohibit it in primary or higher schools, whether public or private, but this does not prevent ministers of any religion from imparting its doctrines, within church confines, to adults or their children who may attend for that purpose.

3. That the constitution as well as the laws of the country guarantees to all residents of the Republic the right of petition, and therefore the members of any church may apply to the appropriate authorities for the amendment, repeal or passage of any law.

STATEMENT OF ARCHBISHOP RUIZ Y FLORES

Accepting in good faith the words of President Portes Gil, Archbishop Ruiz, the authorized spokesman of the church in Mexico, issued the following statement announcing that worship would be resumed:

Bishop Diaz and myself have had several conferences with the President of the Republic, the results of which are set forth in the statement which he issued today.

I am glad to say that all of the conversations have been marked by a spirit of mutual good will and respect. As a consequence of the said statement made by the President, the Mexican clergy will resume religious services pursuant to the laws in force.

I entertain the hope that the resumption of religious services may lead the Mexican people, animated by a spirit of mutual good will, to cooperate in all moral efforts made for the benefit of all the people of our fatherland.

LEOPOLDO RUIZ,
Archbishop of Morelia, Apostolic Delegate to Mexico.
CITY OF MEXICO, *July 21, 1929.*

HOW THE AGREEMENT WAS VIOLATED

The churches were reopened and public worship resumed, and from this date I submit herewith in chronological order the important events in the relation of citizens and state in Mexico to the present day.

1929: The trial of Toral, who assassinated Obregon, is made the occasion of antireligious outbreak led by Padilla, who had been appointed by the Government as special prosecutor. The jury resigns, but Toral is sentenced and executed.

1929: Pascual Ortiz Rubio elected President. He promises justice to all and religious freedom. But some states, Vera Cruz, for example, continue their bitter persecution of the church.

1932: Number of ministers of gospel reduced by law to such a point where it was impossible for them to administer to all their communicants.

1932: The minister of education in the Mexican Government declares the Government education program "is based on an absolute prohibition of all religious instruction."

1932: Church protests against this program. As a result, protesting citizens are charged with sedition. The petition remains unanswered.

1932: September 4, President Rubio resigns. Congress names Abelardo Rodriguez as Provisional President. In his final message the retiring President refers to two decrees issued in 1931 and 1932 which already forecasted the radical amendment adopted in 1934 with regard to education. The decree of 1931 suppressed more completely liberty of education in secondary schools, and that of 1932 the very existence of private seminary schools.

DIGNIFIED PROTEST OF PIUS XI

1932: Pope Pius XI issues an encyclical letter to the bishops of Mexico deploring the increased persecution. The 1929 arrangement was not being adhered to by the Mexican Government.

When, in 1929—

Pius XI declares—

the supreme magistrate of Mexico publicly declared that the Government by applying the laws in question had no intention of destroying the "identity of the church", or of ignoring the ecclesiastical hierarchy, we thought it best, having no other intention but the good of souls, to profit by the occasion, which seemed to offer a possibility of having the rights of the hierarchy duly recognized. Seeing, therefore, some hope of remedying greater evils, and judging that the principal motives that had induced the episcopate to suspend public worship no longer existed, we asked ourselves whether it were not advisable to order its resumption. In this there was no intention, certainly, of accepting the Mexican regulations of worship, nor of withdrawing our protests against these regulations, much less of ceasing to combat them. It was merely a question of abandoning, in view of the Government's new declarations, one of the methods of resistance before it could bring harm to the faithful, and of having recourse instead to others deemed more opportune.

Unfortunately, as all know, our wishes and desires were not followed by the peace and favorable settlement we had hoped for. On the contrary, bishops, priests, and faithful Catholics continued to be penalized and imprisoned contrary to the spirit in which the modus vivendi had been established.

Since any restriction whatever of the number of priests is a grave violation of divine rights, it will be necessary for the bishops, the clergy, and the Catholic laity to continue to protest with all their energy against such violation, using every legitimate means. For even if these protests have no effect on those that govern the

country, they will be effective in persuading the faithful, especially the uneducated, that by such action the state attacks the liberty of the church, which liberty the church can never renounce, no matter what may be the violence of the persecutors.

RETALIATION BY MEXICAN GOVERNMENT

1932: This encyclical is declared by the editor of an official organ of the national revolutionary party, "a criminal interference by Rome in our internal affairs", and Archbishop Ruiz, native-born citizen of Mexico, is sent out of the country by airplane.

1933: Further reduction of number of priests in many States. Further confiscation of church, school, and convent properties. Intensification of antireligious propaganda in the schools.

THE SO-CALLED "6-YEAR PLAN"

1933–34: Discussion and final adoption by the National Revolutionary Party of Mexico of the 6-year plan.

Under this plan the state claims and declares it will exercise complete control of education, even to the smallest details of the curriculum, in all educational institutions and even in the home itself. It declares further the state has the right to direct the exercise of all "professions", that to exercise a profession is "a social question and not an individual right of the one who exercises the profession." Priests and all ministers of the gospel, teachers, college professors, directors, and editors of newspapers are classified as professionals and must therefore be directed not by any ecclesiastical or educational authority but by the state.

The bishops earnestly protest against those provisions of the 6-year plan that thus deny liberty of religion and liberty of education and liberty of the press.

1934: February 20. Mexico's attorney general, Portes Gil, issues instructions with regard to the nationalization of church property. A part of the instructions reads as follows:

III. Property which by reason of the use it has been put to, is subject to the provisions of the constitution, article 27, section II. Included under this term "property" are all properties that at any time have served as the residence of a bishop or priest; seminaries; asylums; schools conducted by religious associations; convents; every other object in any way related to the administration, propaganda, or teaching of a religious cult; places of worship.

All these immovables should at once be transferred, as by full right, to the ownership of the nation.

In cases where private persons claim ownership in the courts, the only evidence required to establish the title of the nation is proof that the immovable has been used as alleged.

1934: In October a test case is brought before the supreme court. The supreme court upholds the rulings of the attorney general.

CALLES ON EDUCATION

1934: July 19. In a broadcast from Guadalajara, General Calles, speaking on education as outlined in the 6-year plan, declared:

But the revolution has not ended. The eternal enemies lie in ambush and are laying plans to nullify the triumphs of the revolution. It is necessary that we enter a new period of the revolution. I would call this new period the psychological period of the revolution. We must now enter and take possession of the consciences of the children, of the consciences of the young, because they do belong and should belong to the revolution.

It is absolutely necessary that we dislodge the enemy from this trench where the clergy are now, where the conservatives are—I refer to education; I refer to the school.

It would be a very grave stupidity, it would be a crime for the men of the revolution to fail to rescue the young from the claws of the clericals, from the claws of the conservatives; and, unfortunately, in many States of the Republic, and even in the capital of the Republic itself, the school is under the direction of clerical and reactionary elements.

We cannot intrust to the hands of our enemies the future of the country and the future of the revolution. With every artfulness the reactionaries are saying and the clericals are saying that the children belong to the home and the youth to the family. This is a selfish doctrine, because the children and youth belong to the community; they belong to the collectivity, and it is the revolution that has the inescapable duty to take possession of consciences, to drive out prejudices, and to form the new soul of the nation.

Therefore, I call upon all Governors throughout the Republic, on all public authorities, and on all revoluntionary elements that we proceed at once to the field of battle which we must take because the children and the young must belong to the revolution.

AMBASSADOR DANIELS—AN ECHO OF CALLES

1934: The United States Ambassador to Mexico, in an address to members of a seminar from the United States at the Embassy in Mexico City, refers to General Calles' speech at Guadalajara.

In this speech Calles had said:

We must now enter and take possession of the consciences of the young, because they do belong and should belong to the revolution.

DANIELS QUOTES CALLES WITH APPROVAL

The Ambassador of the United States to Mexico—in other words, the official representative of the United States in Mexico—declares:

The spirit of the Mexico of this day was clearly and succinctly stated last week in Guadalajara by General Calles in as brief a sentence as that employed by Jefferson decades ago.

General Calles, speaking for the ear of all patriotic Mexicans, and particularly for those intrusted with leadership, had said:

We must enter and take possession of the mind of childhood, the mind of youth.

Earnest protests are presented by citizens of all races and creeds of the United States and the press to the President of the United States against the statement of Ambassador Daniels. Mr. Daniels explains that he meant to do no more than support general education and that he had no thought of excluding religious education. Either Mr. Daniels knew what General Calles had said or he did not know. If he knew he should not have quoted Calles; if he did not know the context of the speech by General Calles, he was grossly negligent in accepting a quotation apart from its background and purpose. In other words, it was a grievous blunder either of deliberation or of ignorance. Context, as every schoolboy knows, is often more important than text.

The statement of our Ambassador is interpreted in Mexico as an implicit support of the present Mexican administration and its policies.

A BLUNDER AGGRAVATED BY EXCUSES

When the address of Ambassador Daniels was called to the attention of the State Department, the Under Secretary of State spoke to him—Daniels—on the telephone (Oct. 17, 1935) regarding his address to the members of the seminar, all Americans, at the Embassy in Mexico City. Daniels sent (in phone conversation), and I quote from official State Department bulletin dated October 17, 1935:

The address I made to the members of the seminar was exactly the type of address I had made in the United States expressing appreciation of the attitude of Mexico in recognizing the great work of Horace Mann and quoting General Calles as favoring the education of children. I was never more surprised than when I learned that any interpretation could be given my address as relating even remotely to controversial matters in Mexico. I truly believe the future of Mexico depends upon an educated population, just as I believe that foundation to be essential in my country and in all countries. The hope is universal education, and in no country has this been provided except by general taxation.

That was an easy matter to transmit those views over the telephone, but the query arises, Why should there be such a marked difference in the press account of this speech and the telephone statement made by Daniels almost 2 months after the address at the Embassy on July 26, 1934? Was Daniels' version changed after the flood of protests to Washington? Why should impartial listeners of his address at the Embassy report a different account of the affair? In quoting General Calles "as favoring the education of children" (from State Department bulletin above) does he, as an American, approve of the principle of the Calles educational system as set forth in his address at Guadalajara on July 19, 1935? If there is still a doubt in the minds of my audience as to the intent of Mr. Daniels' remarks to the members of the seminar let me quote from the newspaper—Mexican—El Nacional, the official organ of the National Revolutionary Party, dated November 3, 1935. The headline reads:

General Calles, the strong and vigorous man of Mexico, declarations of His Excellency, Mr. J. Daniels, Mexico prospers because it is peaceful country.

Beneath the heading appears an article dated:

CUERNAVOCA, *November 2.*

The most excellent Ambassador of the United States, Mr. Josephus Daniels, today was at Las Palmas on a visit of courtesy and saluted and conversed at length with the great chief of the revolution, Gen. Plutarco Elias Calles. A few minutes after the celebration of the cordial interview we obtained important statements from the distinguished diplomat, who said to us textually:

"I consider that General Calles is the strong and vigorous man of Mexico. I took much pleasure in shaking hands with him.

"I believe that the economic situation of this beautiful country has improved, and that to the present the volume of commerce between the United States and Mexico is increasing; and with relation to the financial aspect of the Republic, I estimate that it is excellent. * * * Mexico is at peace, and for this reason is prospering."

In conclusion, the most excellent Ambassador of the United States said to us:

"I take pleasure in making these statements to El Nacional (a vilely anti-God paper), for which I have particular admiration, because it knows how to interpret the sense of the Mexican Revolution."

On January 15, 1935, I wrote to President Roosevelt setting forth the fact that Daniels had been consorting with these atheists in Mexico, which association was being interpreted as a representation of our Government. I quote an excerpt from that letter that I addressed to the President of that date:

Present-day conditions in Mexico are even more barbarous than they were in previous years, and the "reign of terror" is condoned by Ambassador Daniels, who, press dispatches as late as January 6 reveal, made a 2-hour visit to the home of Secretary Garrido Canabal, the leading atheist of Mexico, and the man who admittedly directs the campaign of terrorism against Catholics in Mexico. Ambassador Daniels' actions during recent months in associating with the leaders of this movement, together with his tacit approval of their actions, is an indictment of every principle of honor and decency that America has stood for during the past 150 years, and warrants his immediate removal.

In his—President Roosevelt's—reply to me he attempted to justify these visits as diplomatically proper. I quote from the President's letter of January 23, 1935:

THE WHITE HOUSE,
Washington, January 23, 1935.

MY DEAR MR. HIGGINS: I have received your letter of January 15, 1935, in which you recommend, as a means of indicating this Government's disapprobation of the religious policies of the Government of Mexico, that it decline to signify its approval of the appointment of an Ambassador from Mexico to replace Dr. Fernando Gonzalez Roa.

In reply I may say that on January 8, 1935, in response to an inquiry from the Mexican Embassy in this Capital, the Department of State, having been duly authorized by me, advised the Embassy that the appointment of Dr. Francisco Castillo Najera as Ambassador of Mexico met with my approval. In the circumstances, even though the action along the lines you propose were otherwise desirable, you will realize that it would be quite impossible for me to give consideration to the suggestion contained in your letter.

With regard to your statements concerning Ambassador Daniels, I desire to point out that the newspaper reports to which you refer appear to have been based upon a distortion of the facts surrounding the Ambassador's visit to Secretary Garrido Canabal. Shortly after the inauguration of the present administration in Mexico Ambassador Daniels paid courtesy calls on all of the members of the new Cabinet, among them the Secretary of Agriculture. These visits were fully reported by Ambassador Daniels in his despatches to the Department of State, and I can assure you that to interpret his actions otherwise than as the performance of a courteous formality is as unjust as it is unwarranted by the facts.

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT.

The Honorable JOHN P. HIGGINS,
House of Representatives.

If the President is correct in saying that these visits are diplomatically correct then why should he (Daniels) call on Calles? He is ostensibly a private individual and holds no official position. Secondly, why should a representative of the United States Government visit an individual who, in the minds of one-fifth of the population of the United States, symbolizes Nero?

Consorting with these Mexican brigands is becoming a habit with Ambassador Daniels for all the newspapers of Mexico City on November 7, 1934, printed in English and Spanish the following item which was furnished them by the American Embassy:

The Ambassador of the United States and Mrs. Josephus Daniels have had as their guests (apparently house guests) at the Embassy, the Governor of Puebla, Gen. Jose Mijares Palancia and Señora V. de Mijares Palancia; Señor R. E. Guzman and Señora Maria Christina C. de Guzman, and Señor R. C. Penacha, all of Puebla. The Ambassador and Mrs. Daniels, with their guests, attended the concert of the symphony orchestra on Monday night at the Palacio de Bellas Artes. (From English page, El Excelsior.)

By a singular and, for the Ambassador, possibly an unfortunate coincidence, on the same day El Nacional, the official newspaper of Calles and his National Revolutionary Party, published (could it have been with deliberate design to indicate to the public the official countenance being given the Ambassador to the Catholic-baiting Governor?) the following on the first page:

General Mijares congratulated for his energetic work. His anti-God campaign (campana defanatizadora; literally campaign against fanaticism) merits the approbation of the National Revolutionary Party.

General Jose Mijares Palancia, constitutional Governor of the State of Puebla, has been congratulated by various members of the executive committee of the National Revolutionary Party for the successful campaign against God (campana defanatizadora), campaign against fanaticism and in favor of Revolutionary indoctrination which he has been carrying on in that State, especially among the workers and the peasantry.

ILLUSORY FREEDOM

1934: October 10. The third article of the Constitution of Mexico declares "instruction is free" and defines that education in public schools be secular.

The amendment to this article 3, adopted in 1934, makes it obligatory that all public schools shall exclude every religious doctrine; that if there be any private schools permitted by the State to function, such private schools must conform to this obligation: that no religious organization or minister of any religion take any part in primary, secondary, or normal schools, nor give such schools any economic support.

1934: October 19. The majority of the Chamber of Deputies, all members of the National Revolutionary Party, sitting as a "bloc", which right they have conferred on themselves, direct the executive board of the National Revolutionary Party to petition President Rodriguez to exile at once from Mexico all Catholic archbishops and bishops. Even before the petition is presented the Federal and State governments exile many. They then proceed to exile more. All the archbishops and bishops are native Mexican citizens. Those exiled never receive any hearing or trial, but are ordered peremptorily to leave their country.

1934: October 20. Senator Ezequiel Padilla, secretary of the National Revolutionary Party, supporting the constitutional amendment to article 3, which provides for the complete laicizing of education, declares:

Religion is something that is in the heart, in the convictions of men. It cannot be destroyed by brute force. It can be destroyed, if at all, only by persuasion.

For this reason the Mexican revolution has made a chief instrument of its policy the diffusion of education which is eminently socialistic. Those who have studied history know too well that openly to fight religion would have gotten us nowhere. In the French Revolution priests were hanged and guillotined in every province. Who would have thought that after this clerical power would still live? Nevertheless, only a few decades were required for Catholicism once more to raise her powerful head in every part of France. Religion is to be combated with the book, by teaching and persuasion.

MEXICAN PROFESSORS AND STUDENTS PROTEST

1934: Protest of faculties and students of colleges and universities throughout Mexico is made against proposed amendment to article 3 of the constitution. The protest declares the amendment destroyed academic freedom.

1934: A detailed account of the sufferings which have been endured by members of the Baptist Church in Mexico will be found in the Baptists Index of the Atlanta issue of November 15, 1934. This publication states that the Baptist missions were closed in Mexico because of the socialist program of education and the law on religion.

1934, November: The private correspondence of Archbishop Ruiz, exiled apostolic delegate to Mexico and now resident in the United States, is opened by the Government of Mexico. Directions which it contained concerning the conduct and attitude of Christians under the present persecution are interpreted by the Mexican Federal Government as seditious. Archbishop Ruiz was formally indicted November 14, 1934.

1934: In an open letter to President Rodriguez, Archbishop Ruiz explains the letters, and then adds:

The bishops, the clergy, and all the Catholics of Mexico know perfectly well that the church does not desire to defend, and should

never desire to defend, their rights by means of a revolution. If Catholics on their own initiative take up arms, they know what they are doing. The word "defense", therefore, as used in my letters, refers to the use of peaceful means.

This is the explanation of everything, made with all the sincerity of my soul, which I beg you and all the people of Mexico to accept. And, although the present circumstances seem unpropitious, I ask with an equal sincerity that you, Mr. President, the people of Mexico, and particularly the Catholics, put aside their hate, refuse to be guided by the evil counsels of passion, and aid in hastening the day of reconciliation and of peace, whereon our mutual rights will be respected and our mutual duties fulfilled.

DIGNIFIED PROTEST OF RELIGIOUS LEADERS

1934, November: Bishops of the United States issue a statement emphasizing and extending their letter of 1926:

We have a duty to speak as Americans attached to the institutions of our country and loving them for the benefits they have conferred upon us all. Present conditions make it necessary that we should no longer guard silence. * * * The full consequences of the persecution of the church and of Catholics in Mexico can scarcely be foreseen at the present time. They cannot but eventually be very grave. * * * It is not without significance that in the present turmoil of the world and distress of nations the basic truths of religion, from which has sprung the stability of nations, are flouted and denied by those who seek absolutism in government. The struggle, therefore, which arises from the persecution of the church in Mexico today is an illustration of a crisis which may have far-reaching consequences.

We would wish on the part of the entire American public, of our great secular press, a fuller knowledge of the actual conditions in Mexico. All would then more fully realize that we are pleading not only the cause of the Catholic Church but the cause of human freedom and of human liberty for all the nations of the world.

1934: November 7. In one day, November 7, 1934, these significant dispatches from Mexico appeared in the New York press:

MEXICO CITY, November 6.—Forty-six government employees have been dismissed and hundreds of others will suffer the same fate for not marching in the recent antireligious parade.

AGUA CALIENTE, MEXICO, November 4.—All teachers in government schools in Agua Caliente resigned today because of disagreement over the socialistic education plan.

TAMPICO, MEXICO, November 4.—A boycott of public schools was threatened here today after police refused to allow members of a parents' association to hold a meeting for a discussion of the Government plan for compulsory socialistic education. Many parents kept their children from the schools and others contemplated a similar step.

MEXICO CITY, November 6.—The Spanish-language newspapers La Prensa of San Antonio and La Opinion of Los Angeles, were barred from Mexico by the Government today.

MEXICO CITY, November 6.—The Governor of the State of Tamaulipas today sent a decree to the legislature ordering the ousting of all Catholic priests and the closing of all churches.

1934: December 30. Headline: "Five Catholics are shot down after Mass."

Five Catholics were shot down by the Mexican Red Shirts in front of a Catholic church.

AMERICANS MURDERED WITH IMPUNITY

1935: January 9. The United States Department of State records acknowledge the murder of William Frank Carpenter, an American citizen, on his private ranch at Valla Union.

The murder of Francis Ahern, of Arlington, Mass., a young law student, in January 1935, is but another example of the lawlessness which prevails in Mexico under the rule of Calles. I talked with the uncle of Daniel Ahern, who accompanied the young man to Mexico, and he stated that he was never able to get a proper investigation of the case from our Department of State.

March 1, 1935 (from Boston Globe, via Associated Press):

MEXICO, D. F., March 9.—The killing of 1 Catholic and wounding of 3 others at Parral, Chihuahua, were reported today.

March 11, 1935, New York Times editorial:

THE ARCHBISHOP ARRESTED

A veil of mystery was for some days thrown around the arrest of the Archbishop Diaz, of Mexico City. At first it was reported that he had been carried off by a band of Communists. Much sympathy was expressed with the victim of such a "red" invasion of the archepiscopal palace. But presently it appeared that he had been detained in confinement by the civil authorities, on the heinous charge that he had conducted a religious service outside of the Federal District. There may be a law describing this as a misdemeanor, or what not, but if so, it is an example of a wholly indefensible attack of the civil power upon the freedom of religion. No act of sedition was charged against the archbishop. The old allegation that he and his church were enemies of the Mexican Republic had not pressed for some time. But on a flimsy pretense that he was endangering public order, he was arrested merely for having complied with the religious duties of his office. The excuses made are puerile. The motives advanced cannot be sincere. The whole proceeding tends to bear out the belief that the men now in control of the Mexican Government are not solely fighting the Catholic Church but have it in their purpose to break down and destroy in one way or another all religious freedom—certainly all religious teaching.

March 20, 1935: The Mormon temples were closed in the State of Chihuahua, Mexico.

March 20, 1935: From United States Department of State (bulletin issued Mar. 20, 1935):

The American Ambassador to Mexico, Mr. Josephus Daniels, reported to the Department today that apparently two Americans have been kidnaped in the mountainous section of Zacatecas.

Mr. Louis F. Vremsak, of Pasadena, Calif., was reported to have been captured on March 12 at Juchipila.

At the Leonora mine in the same vicinity, Mr. Mark Fowler, mining engineer and graduate of the University of California, was taken captive on March 15.

VIOLATION OF AMERICAN RIGHTS IN MEXICO

Our State Department files and the files of the United States Embassy and consular offices in Mexico contain many claims and protests from American citizens for illegal interferences with their property rights and injury to their persons by Mexican Government agents. There is no tribunal before whom our American citizens can have their claims against the Mexican Government arbitrated, except through diplomatic channels with the State Department. The time for filing claims before the United States-Mexican Mixed Claims Commission expired in 1927, and since that date there has been no redress for the confiscation of American-owned property nor for death and injury to American citizens. Yet it cannot be denied that many such incidents have happened since 1927, and the facts appear to bear out the growing frequency of illegal violations of the rights of American citizens in Mexico. The extent of and the disposition of these claims by the State Department is a matter of grave public concern and should be publicly known.

No problem in preparing the case has been more difficult than obtaining genuine legal affidavits of instances wherein the rights of American citizens have been violated. The reason obviously is fear on the part of Americans that the Mexican Government will confiscate their property or imperil their lives. However, I have been fortunate to enlist the aid of the editors of Queen's Work, Rev. Daniel A. Lord and Rev. George A. McDonald, and Rev. Joseph F. Thorning, associate editor of Thought and Washington representative of America, who have given of their efforts and time to amassing the data in the form of affidavits that prove conclusively that rights of American citizens have been abridged. I shall submit a few affidavits for your consideration, that cover in language the substance of all the evidence at hand on this point. There are, according to the secretary to Ambassador Daniels, "piles of petitions"—note particularly the sworn statement made by an American citizen of unimpeachable veracity, Ellen Burns—in the American Embassy in Mexico from American citizens, similar in many respects to these affidavits, that have never been acted upon by Mr. Daniels.

THE AMERICAN PRINCIPLE

It is a well-established principle that the United States demands for its own citizens abroad the enjoyment of privileges of religious freedom.

As recent as 1933, when negotiations were entered into by the United States Government on the matter of recognition of Russia, let me quote an excerpt from President Franklin D. Roosevelt's letter to Russian Foreign Minister Litvinoff, dated November 16, 1933:

As I have told you in our recent conversations, it is my expectation that after the establishment of normal relations between our two countries many Americans will reside temporarily or permanently within the territory of the Union of Soviet Socialist Republics, and I am deeply concerned that they should enjoy in all respects the same freedom of conscience and religious liberty which they enjoy at home.

RELIGIOUS LIBERTY—A CONDITION OF AMERICAN RECOGNITION

Let me recall, if you will, the pledge given the American Government in 1917 when the revolutionary government of that day, under the rebel Carranza, bid for recognition by the United States. Our Government has a very definite agreement with the Mexican Government by which Mexico guarantees "the free exercise of religion in public or in private", to quote the language of United States Senate Document No. 321. That was a pledge from the confidential agent named Arredondo, representing Carranza to the United States Secretary of State Lansing, representing our Government (reference State Department letter, Sept. 17, 1915):

MY DEAR MR. LANSING: Complying with Your Excellency's request asking me what is the attitude of the constitutionalist government in regard to the Catholic Church in Mexico, I have the honor to say that inasmuch as the reestablishment of peace within order and law is the purpose of the government of Mr. Venustiano Carranza, to the end that all the inhabitants of Mexico without exception, whether nationals or foreigners, may equally enjoy the benefits of true justice, and hence take interest in cooperating to the support of the Government, the laws of reform, which guarantee individual freedom of worship according to everyone's conscience, shall be strictly observed. Therefore the constitutionalist government will respect everybody's life, property, and religious beliefs without other limitation than the preservation of public order and the observance of the institutions in accordance with the laws in force and the constitution of the republic.

Hoping that I may have honored Your Excellency's wishes, I avail myself of this opportunity to reiterate to you the assurances of my highest consideration.

E. ARREDONDO.

The American Government made religious freedom a condition precedent upon which it recognized the Carranza government. The incidents that followed recognition of Mexico by the United States Government is a matter of history. The deceit and hypocrisy of the Carranza government in its negotiations with our Government—1915—is best illustrated by reading the provisions of the Constitution of Mexico—1917—that was enacted as the law of the land January 31, 1917, hardly 15 months after that government had given its solemn pledge in favor of religious freedom to the Senate of the United States, which had made inquiry, through Secretary Lansing, on this point prior to formally approving recognition. Secretary William J. Bryan, the immediate predecessor of Secretary Lansing in the Wilson Cabinet, recognized that the treatment of Catholics by the Mexican Government was a subject for informal diplomatic protest by the American Government when he wrote to the Carranza government on March 20, 1915, as follows (reference State Department files):

The President has referred to me your important letters of the 23d of February concerning the present distressing situation in Mexico, with the request that I tell you very definitely what the attitude and acts of the administration have been in the matter of the protection of the rights of conscience and of worship there, a matter in which the administration, I need not say, is deeply interested, as all true Americans must be.

A democracy must be sustained by education, and, above and beyond all, the full flower of democracy lies in religious freedom, the principle which the builders of our own Republic made the crown of the whole structure.

This administration is, of course, the servant of the American people. It seeks to be governed by their convictions and by the principles which have governed their political life. It has felt to be its duty to urge upon the leaders of Mexico, whenever an opportunity offered, the principles and methods of action which must underlie all real democracies as they have supported ours.

The Mexican leaders will certainly know that in order to command the sympathy and moral support of America, Mexico must have, when her reconstruction comes, just land tenure, free schools, and true freedom of conscience and worship.

LEGAL PROOF OF VIOLATIONS OF AMERICAN RIGHTS

The advice of Secretary Bryan was unheeded, the pledge has been broken and the Mexican Government has no right to rely upon the sympathy and moral support of America. Much information and data has been amassed in late months as proof of the fact that men are not granted the religious freedom promised in the Arredondo letter to Secretary Lansing, and that date has been transmitted to the American public, but as proof of the continuance of that policy by the Mexican Government permit me to cite sworn affidavits in my possession taken within the last few days, wherein the rights of religious freedom of American citizens have been destroyed.

FIRST AFFIDAVIT

SAN ANTONIO, TEX., *May 27, 1935.*

To the honorable Representative HIGGINS of Massachusetts:

I am Rev. Joseph B. Carbajal, an American citizen and a Catholic priest at Our Lady of Guadalupe Church, San Antonio, Tex.

When I spoke to a certain Mr. S. T. Healy, an American citizen who has his family and home here in Texas, and whom our Jesuits have known for many years, about a recent visit he had paid last month to Mexico, he told me of his trip in particular to the Catholic Church in Tuzpam, Mexico. He went there to worship God according to the dictates of his conscience, and found the church closed and sealed, and a market place erected at the entrance way. There was no priest to perform any of the usual services for the people. The same forces that closed the church had forced the priests away. Such is the law for all the land. If in some places the law is not enforced and priests are unmolested they are all violating the law, and as such liable to arrest and imprisonment or worse.

I make this affidavit of my own free will and without compulsion from any source to make plain the sad state of affairs in the religious persecutions in Mexico at the present time.

(Signed) Rev. JOSEPH B. CARBAJAL.

STATE OF TEXAS,
County of Bexar.

Sworn to and subscribed before me, this 27th day of May 1935.

RAOUL M. GAREIN,
Notary Public in and for Bexar County, Tex.

SECOND AFFIDAVIT

SAN ANTONIO, TEX., *May 27, 1935.*

To the honorable Representative from Massachusetts:

I, Caroline Underwood, cousin of the late Oscar W. Underwood, former United States Senator from Alabama, and only daughter of the late Jessie Browning Underwood, of Alabama, an American citizen, wish to make out an affidavit of my own free will and without compulsion from any source concerning the present conditions of religious persecutions in Mexico.

In February 1935 I went to the Catholic Church of San Juan in Saltillo, Mexico, and found the church locked. I then went to the side door where a carpenter had a shop, and asked for a priest and the hours of mass. He told me that the priest had been expelled, and there was no kind of religious services. He added that the people had no help in their sickness and had to die without a priest.

My own brother, employed in a mining camp in Zacatecas, along with other Americans, has no chance to tend his own spiritual duties because there is no priest. As far as possible for a layman, he is helping to do the work of the priest in the care for the sick and the dying, the marriage of workers among the Americans as well as among the natives, and the baptism of the children. The priests who had formerly held services were expelled, and no church services were permitted.

(Signed) CAROLINE UNDERWOOD.

STATE OF TEXAS,
County of Bexar.

Sworn to and subscribed before me this 27th day of May 1935.

RAOUL M. GARIEN,
Notary Public in and for Bexar County, Tex.

THIRD AFFIDAVIT

SAN ANTONIO, TEX., *May 27, 1935.*

I, Elvira Girard, an American citizen, daughter of Joseph P. Girard, former member of the Roosevelt Rough Riders, and granddaughter of an American veteran of the Mexican War and later a soldier of the United States after the annexation of Texas and a pensioner of the United States Government, am now living in San Antonio, and of my own free will and without compulsion from any source, freely make this affidavit concerning the present condition of the religious persecution in Mexico.

Last Saturday, May 25, while on a vacation trip through the lower valley of the Rio Grande on the American side, reached Brownville and there crossed the border to see the Catholic cathedral in Matamoras, Mexico, not merely as an idle tourist but to worship God according to the dictates of my conscience on Mexican soil.

I found the church unroofed and in ruins. I could not worship God in that spot because the Mexican law forbids its free citizens as well as strangers to practice religious worship in that land.

We were so molested in this brief visit that we decided it best to return to the good old United States. To give an idea of the poor welcome offered me on this first peep at war-torn and religious-persecuted Mexico, let me add that the guide whom we had asked to show us the way to the cathedral was ordered off and we were told it was against the law. Everyone seemed scared to talk.

(Signed) ELVIRA GIRARD.

To the Honorable Mr. HIGGINS,
Representative from Massachusetts.

The STATE OF TEXAS,
County of Bexar:

Sworn to and subscribed before me this 27th of May 1935.

RAOUL M. GAREIN,
Notary Public in and for Bexar County, Tex.

FOURTH AFFIDAVIT

CITY OF WASHINGTON,
District of Columbia, ss:

Michael Kenny, being duly sworn according to law, doth depose and say that:

I, an American citizen and a properly authorized minister of religion, entered Mexico in September of 1934, and because of the

laws of that country was prohibited from wearing my clerical garb. I could not enter in the character of a minister of religion, or in the insignia of a clergyman. I had to adopt secular dress.

In no State from Chihuahua to the Federal District was I permitted legally to perform any religious service or to engage in Divine worship. Nor could I legally perform any religious services in the Federal District of Mexico. Otherwise, I would have been subject to fine or expulsion, or imprisonment.

[SEAL] MICHAEL KENNY.

Subscribed and sworn to before me this 2d day of May, A. D. 1935.

ALICE B. NORTON, *Notary Public.*

My commission expires November 17, 1937.

AN UNANSWERABLE AFFIDAVIT

Now, let us consider the most startling indictment of our Mexican policy in the nature of a sworn affidavit from Mother Ellen Burns, superior of the Sisters of Mercy at San Antonio, Tex., an American citizen. Their property was confiscated by the Mexican Government, and they, as Americans, sought the advice, counsel, and aid of our Ambassador, Mr. Daniels. He was too busy to see them, and they had to be content to take the matter up with his secretary, who told Mother Ellen Burns:

We (Daniel's office) cannot do anything for you, and Mr. Daniels will not and cannot do anything for you.

He (secretary) also remarked that he "had piles of letters and petitions from Americans living in Mexico making similar requests, and that they (Daniel's office) could do nothing for them."

What an indictment upon the foreign policy of our Government when it will permit the property of Americans to be confiscated. If my listener, because he might be more concerned with more material things, Mr. Speaker, cannot agree with me on the right that Americans have to religious freedom in Mexico, how in the name of God can he justify the apathy of our Government when property of our citizens is being taken from them without a word of protest?

What other reason than to promulgate the truth regarding the abominable conditions in Mexico would a woman who had dedicated her life to God have submitting the following affidavit?—

MAY 25, 1935.

HON. JOHN P. HIGGINS,
House of Representatives, Washington, D. C.

HONORABLE SIR: Permit me, as an American citizen, to submit in brief some of the grievances which I and members of the religious congregation which I represent have had to endure in view of the religious persecution in Mexico, as also an account of authenticated facts which I have received from most reliable sources.

In the month of March I sought an audience with Mr. Daniels, American Ambassador, in the interest of property—a school and residence—which the Mexican Government had just confiscated, and wherein the department of education had established a socialistic school. Arriving at the Embassy, and being accompanied by a Mrs. Aymes, of Mexico City, I asked to be allowed to speak to Mr. Daniels. I was asked the nature of my business and replied, "Property business." I was then told that I could not see Mr. Daniels, as he was just then engaged in very important transactions, but that I could speak to his secretary. My companion and I were forthwith introduced to the secretary, and I pleaded as I would to the Ambassador himself for aid in recovering the American property summarily taken by the Mexican Government. I gave the said gentlemen all details regarding same; answered all his questions, and requested him, as a representative of the United States Government, to kindly interest himself in the matter. His answer was: "We cannot do anything for you, and Mr. Daniels will not and cannot do anything for you." Moreover, the secretary asked me as to whether I wanted more than the natives. I replied that I did not ask for more than they did; that I asked only for justice, and that justice was all they likewise desired. He also remarked that he had piles of letters and petitions from Americans living in Mexico making similar requests, and that they—the American Embassy—could do nothing for them. Finally I had to leave with the conviction that Mr. Daniels, the American Ambassador to Mexico, would not and could not do anything in favor of Americans in Mexico.

Other properties also have been appropriated by the Mexican Government, for instance, a large school in Saltillo which our sisters held for the past 50 years and in which they made vast improvements. In Monterrey our sisters are obliged to pay 300 pesos monthly rental to the Government for the mere privilege of living in their own house, but are not permitted to teach therein. They have been in possession of that property also for nearly 50 years. Similarly, in Torreon and Tampico our schools have been closed by the Government for the same reason—because they were Catholic schools and would not accept a Godless program of education. Thus, many hundreds of poor, helpless, innocent children are deprived of their dearest heritage and are given instead a most un-Christian and demoralizing education. I have heard parents bewail this condition and protest against the persecution raised against the education of their children, but a deaf ear is turned to their pleadings and there is no one to help them. The people of that unhappy country are powerless; they cannot effectively oppose an iniquitous Government which seeks only the destruction of all that is good, and can raise a military force to annihilate any who dare thwart any of their designs.

Imprisonment, torture, and death are meted out to those who bring the comforts of religion to the dying, or who in any other way exercise their sacred ministry. A policeman is always on the watch to ascertain the whereabouts of any priest who is suspected of celebrating mass. Should he be discovered his doom is sealed, and unless a heavy fine is paid for his release, torture in one of the damp prisons in Mexico is most certain. I have known priests who, for the crime of saying mass or of having exercised any of their other priestly duties, flee from house to house in order to escape capture and, possibly, a cruel death. I know of a venerable priest who, recently, was accidentally discovered in one of the subterranean prisons of Mexico City solely because of his ministry.

Property owners in Mexico refuse to rent their houses to sisters because of the certainty that such property would be confiscated by the Government were it used for religious purposes or for housing religious. I spent 2 months in Mexico this year and know that all the foregoing and much that is unsaid is only too true. There is a most insidious persecution of religion in Mexico, and the plight of the good people there is most distressing. They are raising their hands in supplication to the just, friendly, and humane Government of the United States to help them obtain freedom from a tyrannical Government.

Permit me to quote the following incidents related to me by reliable witnesses: A young man distributing Catholic literature in Mexico was imprisoned and, in order to oblige him to declare who it was that gave him the said literature, he was taken to prison, scourged, and his finger nails dislocated. After 12 days of imprisonment he was released by a charitable lady who paid the fine. This happened in the month of September 1934.

A priest in Mexico City was fined 25 pesos for having been found reading his breviary in one of the churches which was not registered by the Government.

A Catholic youth—Francisco Juaristi—was imprisoned for having refused to give information which the Government desired. His imprisonment was kept secret and denied by the Government, but a friend of the family, who was connected with the Government, obtained his release. On the day following his release, the said Francisco was again apprehended, ill treated and placed in a subterranean cell in which the water reached his knees. He was released on the payment of 700 pesos. His parents paid the fine. From the torture he underwent he contracted a serious illness. This young man is living with his parents in Mexico City and, if so desired, can furnish all details regarding this matter, and of his experiences before and during his imprisonment. The discovery of Father Saavedra—already alluded to—in that horrible prison, is due to Francisco Juaresti.

A few months ago it happened that two young girls who were teaching Christian doctrine to a group of children in one of the churches of Mexico were imprisoned an entire week. Another well-known instance of the cruelty exercised by the religious persecution in Mexico occurred in a school in Veracruz: One of the girl pupils killed another child who had that day gone to the school for the first time. The new pupil refused to step on a crucifix placed at the entrance to the school for that purpose. The pupils were required to commit that act of desecration daily on entering the school.

The normal school in Mexico city refused examinations to a number of students because they were Catholics.

Many persons employed by the Government were deprived of their employments because they did not take part in the public parade organized by the Government in November 1934 in favor of socialism.

A public parade made by Catholics in protest of socialistic education was prevented by officials of the Government, who dispersed the people by means of tear gas, water, and pistol shots, all of which resulted in blinding several persons and in wounding and killing many others.

In March of this year the Mexican Government enacted a law forbidding any public manifestation on the part of Catholics. Catholic publications through mail were also prohibited.

In the State of Chihuahua, where no priest is recognized or no church is open, a deacon was called to administer the sacrament of baptism. On his return home he was accosted by a policeman, who asked him if he were a priest. On being told "no", the official made the offending deacon the assuring promise that should he baptize again he would not be sent to the "Islas Marias", not be expatriated, but that he would be shot. This incident took place in the city of Chihuahua. In obedience to the laws, no Mass can be celebrated in Chihuahua. I know this through personal experience.

Various other incidents could be cited in regard to the unabated religious persecution in Mexico. These few instances can furnish but a feeble idea of what the people in Mexico are suffering through the relentless and cruel persecution of religion, of education, and of spoliation of property.

I thank you, honorable sir, for your patience and kindness in reading this letter, and I trust that, from the many accounts which, probably, you receive of poor, helpless Mexico, you will be enabled to know the truth and to assist efficaciously to break the chains that hold it in bondage.

Yours very respectfully,

ELLEN BURNS.

Before me personally appeared Ellen Burns, known to me to be the person making this affidavit, who declares that it is a voluntary statement and that the facts contained therein are true, this 25th day of May, 1935.

HUBERT C. HENDERSON,
Notary Public in and for Bexar County.

SIXTH AFFIDAVIT

Hon. JOHN P. HIGGINS,
Congressman from Massachusetts,
Washington, D. C.:

AFFIDAVIT

I, Winifred A. Meehan, a citizen of these United States of America, hereby testify, in presence of a notary public, that I have come in contact with victims of religious persecution by the present irresponsible Government of Mexico.

While stationed as a teacher in Brownsville, Tex., during the school session 1933-34, I met there Mother Mary, of the Sacred Heart Horde, an American, who, for upwards of 30 years had been a member of the community of the Incarnate Word at Gomez, Palacio, Mexico. She was now the superioress of that community. She was accompanied by her assistant superioress, Sister Mary Xavier, a Mexican.

Both arrived in Brownsville toward the close of the year 1933, suffering from shock. Their convent had been visited by officials of the Mexican Government. Everything in their chapel was examined by these officials in a spirit of mocking and derision. Then the chapel was ordered closed, and these officials put the seal of the Government of Mexico on all doors and windows. Their school was also closed, and the Sisters had to seek refuge in private homes.

After all this had been accomplished and the Mexican officials had withdrawn—except for the guard placed by them to watch the sealed institution—a secret messenger was sent by the said officials to Mother Mary, of the Sacred Horde, to demand a few thousand dollars, promising that if she gave it all would be well with her and her community. As the Mother Superior did not, in the first place, have the amount of money demanded, and, in the second place, found this injustice too repugnant, she refused to comply with the demand. Instead, she reported the officials to a Durango court. When a day or so later she learned that she would have to face the said corrupt officials in court and prove that they asked her for money, she feared to become the victim of yet more intolerable injustice; consequently, she left Mexico secretly, and a few days later arrived in Brownsville, where I interviewed her and companion Sister.

(Signed) WINIFRED A. MEEHAN.

STATE OF TEXAS,
County of Bexar:

Before me the undersigned authority on this day personally appeared Winifred A. Meehan, known to me to be the person whose name is subscribed to the foregoing instrument and upon her oath deposes and says that the facts stated therein are true and correct.

Witness my hand and seal of office this the 31st day of May, A. D. 1935.

LARRAYN MILLER,
Notary in and for Bexar County, Tex.

From the gravity and nature of this grave indictment, submitted in sworn statements by American citizens of unquestioned integrity, it is clear that the American public is entitled to have a "full dress" investigation of the policy of the State Department in dealing with the complaints and grievances of American citizens against the Republic of Mexico.

SEVENTH AFFADAVIT

SAN ANTONIO, TEX., *May 29, 1935.*

To the honorable UNITED STATES REPRESENTATIVE FROM MASSACHSETTS, J. P. HIGGINS:

I, Rev. Joseph B. Carbajal, of our Lady of Guadalupe Catholic Church, at 1321 El Paso Street, San Antonio, Tex., make this affidavit of my own free choice and without compulsion from any source concerning the religious persecution in Mexico.

Among the priests who were forced to leave Mexico, the Jesuit priests from Chihuahua sought refuge in El Paso, Tex. In consequence, the American Catholic colony in Chihuahua were deprived by the persecuting Mexican Government of the services of religion and the exercise of their inalienable rights to worship God according to the dictates of their own conscience. These priests were forced to suspend all religious activities in Chihuahua last August.

While the Mexican Jesuits were still in El Paso they learned the following from a certain Mr. Ryan, an American citizen and head of a mining company in Chihuahua, who was known to the Jesuits, as he had attended the Jesuit church in Chihuahua regularly until the priests were forced to leave.

This Mr. Ryan gave assistance to a needy person, and in consequence was reported as an enemy of the Mexican Government. He had helped a beggar who was a priest but was not recognized as such by the Government and was legally disqualified from the performance of any religious acts. Mr. Ryan was subjected to considerable difficulties and injuries and finally had to return to the United States, where he told this almost incredible story to the Jesuits whom he had known in Chihuahua, who had known him at home and in exile. Mr. Ryan had learned to his sorrow that the Mexican law forbids an American to give a penny or a bite of food to a hungry man, or a rag to cover him, in case the destitute person had been at some time a minister of religion.

Rev. Benjamin Silva, S. J., already sent this affidavit in to Washington. He was one of the Chihuahua Jesuits last August.

(Signed) Rev. J. B. CARBAJAL.

ACKNOWLEDGMENT

Before me, the undersigned authority, personally appeared Rev. J. B. Carbajal, S. J., known to me to be the person making this affidavit, who declares that it is his own voluntary statement and that facts therein are true, according to the best of his knowledge, this the 30th day of May 1935.

(Signed) HERBERT C. HENDERSON,
Notary Public in and for Bexer County.

My commission expires May 31, 1935.

In order to illustrate these injuries and damages suffered by American citizens have gone unredressed for many, many years, permit me to submit the following sworn affidavit:

To the Honorable JOHN P. HIGGINS,
Congressman from Massachusetts, Washington, D. C.:

STATE OF TEXAS,
County of Bexar, ss:

On this day personally appeared Elizabeth F. Murphy, who by me being duly sworn on oath deposes and says: My name is Elizabeth F. Murphy (Sister Mary Agnes), an American citizen, and I established a religious community of teaching Sisters in Puebla, Mexico, in 1896. In 1905 I established a branch of this community at Atlisco, in the State of Puebla.

On the morning of September 29, 1914, I received an order from Col. Manuel Bonilla, of the Carranza army, to hand over to him our house and grounds by noon of that same day, to be used as a barracks.

As superior of the little community I refused to give over the house. I placed a small American flag on the front door and stated that as an American citizen the Mexican Government had no right to claim my property.

The Mexican officials laughted at the idea, and said, "That will do you no good. We will take it anyway."

About 4 o'clock Col. Manuel Bonilla came to our convent with about 20 armed soldiers and commanded me to give up the house. I again refused, saying that I would never give up our home unless they took it by force. They said I would have to do it or the general would come and make me give in.

Instead of the general another colonel came, and when he saw that we had previously removed some of the furniture from the house, he asked me if we had dared to take anything out of our house without the permission of the Government. I answered, "Yes; as they were my things, I thought I had a right to do with them what I pleased." He said, "You should not have done so. You are stealing from the Government. Everything belongs to the Government."

We were forced to leave our home. But before letting us go the officers demanded the written order that had been sent to us in the morning, as they did not want any documentary evidence of this confiscation to leave the country.

The next day these officials invited the public to enter our convent home and take whatever they wished, because everything belonged to the people.

With my companion Sisters I sought refuge in Texas. We are still here eking out a living. No restitution has been made by the Mexican Government.

ELIZABETH F. MURPHY.
(Sister Mary Agnes).

Subscribed and sworn to this the 1st day of June, A. D. 1935.

RALPH NORTHWAY,
Notary Public in and for Bexar County, Tex.

ALL RELIGIONS ATTACKED

To those who doubt the genuineness of my statement that the Mexican Government is suppressing religious liberty, let me quote excerpts from the special article written by Charles S. MacFarland, general secretary, emeritus of the Federal Council of the Churches of Christ in America, in the current issue—June 1, 1935—of that splendid weekly, the Literary Digest. This distinguished Protestant leader, who completed two decades in the council's service, the holder of four honorary degrees and four foreign decorations, says that the persecution in Mexico is anti-God. After an extensive investigation of conditions in Mexico, he has, within the past 2 weeks, published his new book entitled "Chaos in Mexico." The article written for the Literary Digest may be taken as a fair indication of the contents of his book. The following is the language of Dr. MacFarland:

After 6 weeks of observation and study in Mexico, I do not hesitate to give categorical answers to the three debated questions.

The state is suppressing religious liberty when it closes the worshiper's church, when it deprives him of his priest, when it shuts out religion from his home, both as teaching and as ministration. It suppresses religious liberty to the church as an institution, not only by these same restraints but by its destruction of the church's identity and by the demolition of its organization.

Is the state injuring, harrowing, or oppressing the church? Is not that question answered sufficiently when I pass the beautiful cathedral and find flaming posters of the state plastered on its walls attacking it in violent terms as an institution, or when I go into a church and find it filled with cartoons, some of them vile caricatures of religion itself?

Is it not answered when the Government goes into the office of the cathedral, makes trash heaps of altars and crucifixes, and pastes seals on paintings of madonnas, and, in the church offices, on typewriters, certifying that they are the property of the Government? Is it not answered when the "red shirts", even though not authorized, are permitted to invade church property in riotous manner? It is idle to discuss this question.

The Government makes its own definition of political interference. It rules out any right of the church or priest to criticize the Government or any law, or to advocate any law. The policies of the Government are amateurish, almost childish. They are very frequently carried out with a playful sarcasm or a hilarious insolence, which are entirely gratuitous.

Perhaps it is appropriate that the constitution of 1917, which is in force, not only deletes from the previous constitution the phrase "in the name of God" but also that which followed it in the earlier document, "by the authority of the Mexican people", for the present attitude toward the church is contrary to the will of a majority, probably of at least three-fourths, of the Mexican people.

Christo Rey, a newspaper which imitates the style of Russian journals, carries alongside its front-page title a caricature of Jesus. When I told Señor Portes Gil that the Government was charged with being responsible for its publication, he answered that the allegation was absolutely false. I have no doubt that he thought he was telling the truth, for there is a good deal of duplicity inside state circles.

The right hand of the Government often does not know what the left hand is doing. As a matter of fact, however, I found that the street address named in the headline of the papers was but a sub or pseudo office and that the paper was printed in and issued from the official printing office of the department of agriculture. From that same office are issued hideous cartoons, and on its walls are posters declaring that the oppressed state of the people is due to belief in God.

In a recent issue of Christo Rey the crucifixion is represented with a donkey as the central figure. This picture has been distributed in schools. More significant are the murals in the National Preparatory School, painted by Jose Clemente Orozco and his pupils. One reveals the figure of Christ, swollen and bloated almost to the bursting point, a tiny crown of thorns resting upon a luxurious growth of hair. It would be impossible to imagine a more repulsive figure, and the leer in the protruding eyes is not likely to be forgotten.

He holds a phrygian cap of liberty in his left hand; an emaciated worker stands shuddering by his side, and Christ is drawing his attention to that object, in evident connivance with a capitalist who is preparing to plunge a dagger into the worker's back.

Another mural reveals a wicked old man, representing God the Father. The angry, cross-eyed figure is quite as impressive and repellant as that of Christ. He is holding an orb, while a group of sheepish bourgeois worships at his feet.

Rites and practices of a revolutionary character in place of the ordinary Christian acts of belief, such as baptisms, christenings, weddings, and the like, are reported from different parts of the country. The former Governor of the State of Vera Cruz, Adelberto Tejeda, has openly encouraged some of these ceremonies; in fact, he even acted as padrino in several revolutionary baptisms.

The clear trend of the Mexican State is atheistic. The Roman Catholic Church in Mexico has done very much more for the people of Mexico than the State will allow. * * *

PROTESTANT PRESS PROTESTS

To appreciate the extent of this godless system of education and the persecution that men of all creeds are subjected to, permit me to quote from the Christian Index, of Atlanta, the organ and property of the Baptist congregations in Georgia, in its issue dated November 15, 1934:

The Government of Mexico has put on an extensive socialistic program of education throughout the Republic. They have placed a ban on the teaching of all religions. The Bible is excluded from all schools and they have now closed our Baptist theological seminary at Saltillo. All church properties being federalized, they have passed into the hands of the Government. Some of our Baptist churches have already been taken over as offices for school superintendents, mayors, or other public officials, and the Mexican flag is now flying from the steeples of Baptist churches * * *.

The Mexican Government is determined to exclude Catholicism in all of its phases from the Republic, and in doing so, of course, they are excluding all Baptists, Presbyterians, and Methodists alike * * *.

The Protestant Review, an organ that was previously a staunch defender of the rule of Calles and successors, now says that Christianity is—

Shackled in the dungeon of governmental tyranny.

PERSECUTION OF THE JEWS

S. L. A. Marshall, impartial observer for the New York Times, issue of March 20, 1934, writes that when he was inspecting some projects with an official of the Mexican Government near the National Palace the official said:

In 2 years all this will be changed. These shops are now run by Jews. We are widening the streets and rebuilding the stores. When they are open again there will be no Jews.

Permit me to reprint a special news item to the New York Times (June 1, 1935) as further evidence that the war by the Mexican Government is against all religions:

MEXICO, D. F., June 1.—The Golden Shirts, a nationalistic organization headed by Nicholas Rodriguez, has announced that it will energetically seek all means to combat Jewish activities in Mexico.

The organization will present a petition, containing more than 200,000 signatures, to President Cardenas when he returns from his native State of Mihoacan. The petition requests that various steps be taken against Jews.

It asks that citizenship be withdrawn from them, that all Jews residents in Mexico be forbidden to participate in politics, and that factories owned by Jews be turned over to Mexican laborers.

The Golden Shirts were denounced by President Cardenas and the National Revolutionary Party several months ago. At that time the Golden Shirts turned to fighting Communists.

The movement against the Jewish race has taken such proportions that it prompted the following editorial in one of the leading newspapers of the country, the Boston Post, Monday, June 3, 1935:

MORE BIGOTRY

There have been brown shirts and black-shirted organizations in the past few years, most of them bent on mischief, and now from Mexico comes word of the Golden Shirts. This organization, priding itself on being intensely nationalistic, has announced a drive on Jews similar to that conducted by the Brown Shirts in Germany. It demands that citizenship be withdrawn from Jews, that all Jewish residents in Mexico be forbidden to participate in politics, and that factories owned by Jews be turned over to Mexican laborers. To blame the evils in Mexico on the Jews is simply extending what has become a popular pastime in countries where a spectacular issue is sought by avaricious politicians.

MEXICAN CONSULS INTERFERE IN THE UNITED STATES

According to evidence in the hands of the House Special Committee for the Investigation of un-American Activity, two Mexican consuls, Hermalao E. Torres, of San Bernardino, Calif., and Alejandro V. Martinez, of Los Angeles, Calif., made earnest efforts to interfere with the religious rights of numerous American citizens living in Los Angeles and San Bernardino. In December 1934 these two Mexican consuls inserted advertisements in the local papers with a view to intimidating American citizens from taking part in a religious procession, prior to the Feast of Our Lady of Guadalupe, December 12, 1934. They also spoke over the radio threatening people of the United States in the vicinity with dire penalties in the event that they should exercise their religious rights in the United States. At the same time they endeavored by every means possible to induce the mayor of the city of San Bernardino, as well as the chief of police, to revoke permits issued for the public procession.

When my friend and colleague from Massachusetts, Congressman JOHN W. MCCORMACK wired the mayor of San Bernardino questioning him about the authenticity of these reports, the mayor replied that they were true.

These two Mexican consuls are still holding consular offices within the United States—one at Denver, Colo., and the other at Tucson, Ariz.

As far as the public is concerned, no sign of reprimand has been given to either of the two Mexican consuls guilty of this offense against the religious rights of American citizens. The State Department, although ignoring the petitions of millions of American citizens, is apparently afraid to offend the tender susceptibilities of the millionaire socialists of Mexico.

MEXICAN AMBASSADOR

In the issue of the Washington Post, dated February 22, 1935, the Mexican Ambassador, Senor Francisco Castillo Nájera, discussing the church problem in his country, said:

There is a great deal of agitation going on, but the agitation is outside of Mexico. Mexico is quiet, indifferent.

With a complete record of the State Department of Mexico at hand to support me in my belief that Ambassador Nájera had been the Mexican envoy in European capitals,

continuously since 1922, and that he had not returned to Mexico for the past 7 years, I directed a letter to his attention, dated February 22, 1935, excerpts from which I quote:

If, as you, Mr. Ambassador, claim, "Mexico is quiet, indifferent", why is the Government press daily full of vicious attacks and slanders on the Christian clergy and laity? Why was it necessary for the Government to organize anti-God demonstrations and try to compel attendance of federal employees under penalty of dismissal? Why, within a few weeks, were numerous internes in many hospitals in Mexico discharged for this refusal, and thus restrained from continuing the training required for their profession? Why did nurses in Government-owned hospitals suffer the same fate? Is the Ambassador from Mexico unaware that all the national press services in the United States carried this news and that it has never been officially denied?

As one would expect, his reply was that he did not care to enter a controversy with any official of the United States Government for he did not consider that a part of his ambassadorial duties. He did, however, consider it a function of his office to give interview to the press on this subject a day or two previous in an attempt to confuse the American public on this subject, yet when his statements were disproved he immediately put on the cloak of ambassadorial privilege.

SECRETARY HULL'S REPLY TO HIGGINS' LETTER

Weeks before Congress convened I called to the attention of the President of the United States, by letter dated December 19, 1934, to the outrages being perpetrated in Mexico, and to instances wherein the human rights of both American and Mexican citizens were being violated. The letter was forwarded by the President to the attention of the Department of State, and I received from Secretary of State Cordell Hull a reply, which has been widely published. In this reply he sets forth the policy of the present administration—that it does not intend to use our good offices to prevent further persecutions and outrages in Mexico. I present for your consideration and analysis the reply of Cordell Hull:

DEPARTMENT OF STATE,
Washington, December 28, 1934.

MY DEAR MR. HIGGINS: The President has referred to me for consideration your letter of December 19, 1934, in which you advocate the withdrawal by this Government of recognition of the Government of Mexico pending an investigation of conditions in that country to determine whether such recognition may properly be accorded.

Notwithstanding the well-settled policies and views respecting religious worship and practices that obtain in this country, I know you understand that other nations are recognized as being entitled to regulate for themselves their internal religious conditions in such manner as they may deem proper and that, accordingly, it is not within the province of this Government to intervene in the situation in Mexico to which you refer. The procedure you suggest would be tantamount to an effort to determine the course to be taken by another nation and would almost certainly provoke such resentment as to defeat the purpose which you wish to achieve.

Sincerely yours,

CORDELL HULL.

The Honorable JOHN P. HIGGINS,
House of Representatives.

Incidentally, this is an interesting document to analyze. I call your specific attention to the following part of that reply:

Notwithstanding the well-settled policies and views respecting religious worship and practices that obtain in this country, I know you understand that other nations are recognized as being entitled to regulate for themselves their internal religious conditions in such manner as they may deem proper and that, accordingly, it is not within the province of this Government to intervene * * *.

Keep in mind the fact, Mr. Chairman, that no man interested in this cause wants war, nor does he want armed intervention. What we seek is high-minded statesmanship of the character employed by at least eight Presidents of the United States from the time of Van Buren—1841—to Coolidge in 1928, when they used their good offices to intercede in behalf of oppressed and outraged peoples of other nations. Must I review, Mr. Speaker, this chain of precedents for the benefit of Secretary Hull who in his letter, quoted above, said?—

* * * other nations are recognized as being entitled to regulate for themselves their internal religious conditions in such manner as they may deem proper and that, accordingly, it is not within the province of this Government to intervene * * *.

STATE DEPARTMENT RECORDS CONTRADICT MR. HULL

We, as American citizens, are not asking Mr. Hull to do one whit more than that which was freely undertaken by his predecessors under similar circumstances in the past. The records of his own Department will reveal the numerous occasions where the executive branch of our Government has interposed its good offices. When Mr. Hull speaks of intervention or interference, he is dodging the issue. What is worse, he is confusing the issue. No one wants intervention, but every fair-minded American citizen wants statesmanship, and if he is cognizant of the history of the State Department, he knows that to interpose good offices is not to intervene.

Diplomatic representation, of course, should be dignified and courteous. This is an acknowledged method of peaceful procedure. It is an act of sincere, genuine friendship. Both the French and British Governments have acted diplmatically. Why are the diplomatic resources of Mr. Hull so pitifully inadequate?

We plead with our Government to interpose its good offices—not intervene—on behalf of these people who have been deprived of every national right. Our request is sanctioned by the law of nations and based on records, precedents, and messages available to all in the United States Department of State.

PRECEDENTS

First. Secretary of State John Forsyth (1840), when the Jews were being persecuted in Damascus, wrote to our minister in Constantinople as follows:

Interpose your good offices in behalf of the oppressed and persecuted race of Jews in the Ottoman dominions, among whose kindred are found some of the most worthy and patriotic of our own citizens.

Second. Secretary of State Lewis Cass (July 29, 1857), in his instructions to Mr. Chandler, Minister to the Two Sicilies, that the joining by an American consul in a Mohammedan country with the consuls of other nations in a protest against the conviction and execution of a Jew for blasphemy—

Meets with the approval of the Government of the United States.

Third. Secretary of State Evarts (July 2, 1878) transmitted the following to Mr. Felix A. Mathews, United States consul at Tangier:

I transmit herewith a copy of a letter dated the 15th ultimo, addressed to this Department by Mr. Meyer S. Isaacs, president, and S. Wolf, vice president of the board of delegates of American Israelites, New York, requesting that you be instructed to inquire into the condition of the Jews in that empire, and to consult for the amelioration of their status. I also enclose a copy of the reply thereto of the Department, by which you will perceive that Mr. Isaacs has been informed that, in view of the fact that the informal friendly offices of the United States have, on similar occasions, been exercised with good results, through their representatives abroad, you would be authorized to act in the sense of his request. You are consequently requested to take such steps toward the accomplishment of the end desired as may be consistent with your international obligations and the efficiency of your official relations with the Government of Morocco.

Fourth. Secretary of State Hamilton Fish, December 8, 1876, concerning the question of religious liberty in Spain, wrote the American consul and said:

Upon the 23d of November, Sir Edward Thornton called upon me and stated that he was instructed by Lord Derby to read to me, and, if I desired it, to leave with me a copy of an instruction bearing date October 28, which had been addressed to Mr. Layard, Her (British) Majesty's Minister at Madrid, touching religious toleration in Spain, and that Lord Derby expressed the hope that the Government of the United States might instruct its representative at Madrid to make representations in a similar sense to the Government of the King. I transmit, herewith, a copy of this instruction, which was given me by Sir Edward Thornton. * * *

You are instructed to act in concert with Mr. Layard, Her Majesty's Minister, in the sense in which he is instructed by Lord Derby, and to take occasion to speak in a similar sense to the Minister of State, impressing upon him the deep interest which the question of religious liberty in Spain excites in the United States.

Fifth. Secretary of State James G. Blaine, February 18, 1891, interceding in behalf of the Jews in Russia, sent the

following message to Mr. Smith, American Minister to Russia:

The Government of the United States does not assume to dictate the internal policy of other nations or to make suggestions as to what their municipal laws should be or as to the manner in which they should be administered. Nevertheless, the mutual duties of nations require that each should use its power with due regard for the results which its exercise produces on the rest of the world. It is in this respect that the condition of the Jews in Russia is now brought to the attention of the United States, upon whose shores are cast daily evidences of the suffering and destitution wrought by the enforcement of the edicts against this unhappy people. I am persuaded that His Imperial Majesty the Emperor of Russia and his councillors can feel no sympathy with measures which are forced upon other nations by such deplorable consequences.

Sixth. Secretary of State John Hay—April 19, 1903—regarding an anti-Semitic outbreak that occurred in Kishineff, Russia, causing the death of 47 Jews and injuries to several hundreds of other people of the Jewish race, sent the following message to the American Minister in Russia to ask for an audience and to send him—Russian Minister—the following communication:

EXCELLENCY: The Secretary of State instructs me to inform you that the President has received from a large number of prominent citizens of the United States of all religious affiliations, and occupying the highest positions in both public and private life, a respectful petition addressed to His Majesty the Emperor relating to the condition of the Jews in Russia and running as follows.

Attached to the official letter was the original of a resolution on the matter that had been adopted at a meeting of protest in New York City of which ex-President Cleveland, Mayor Seth Low, and Jacob D. Schurman, president of Cornell University, were the speakers. The resolution is quoted at this point:

Resolved, That the people of the United States should exercise such influence with the Government of Russia as the ancient and unbroken friendship between the two nations may justify to stay the spirit of persecution, to redress the injuries inflicted upon the Jews of Kishineff, and to prevent the recurrence of outbreaks such as have amazed the civilized world.

Seventh. Secretary of State Hamilton Fish—April 18, 1870—our Government interposed its good offices through the American consul in Japan against the contemplated deportation of 700 Japanese Christians—not American citizens—"to parts unknown." The date of that lengthy letter of protest was January 2, 1870, and it can be found in the files of the State Department. Note what Secretary Fish said to the American consul in Japan after the protest had prevented their deportations:

On April 18, 1870, Mr. Hamilton Fish, Secretary of State of the United States, addressed a letter to Mr. DeLong, the American Minister to Japan, saying, in part, that "the individual and cooperative efforts you have made to prevent persecution of this people are cordially approved by the Department."

Why does Mr. Cordell Hull refuse to study the statesmanlike diplomacy of his illustrious predecessors? Is he less enlightened or less courageous than John Forsyth, Lewis Cass, William Evarts, Hamilton Fish, James G. Blaine, and John Hay?

LEGISLATIVE

It is a matter of public record that the legislative branch of the Government (Congress) has on several occasions passed resolutions directed to the attention of foreign governments in behalf of outraged and oppressed citizens of other countries. Citations:

1. Senate Resolve No. 241—July 29, 1916, asking for clemency in the treatment of Irish political prisoners.
2. Senate Resolve No. 48—May 29, 1919, expression of its sympathy for the aspirations of the Irish people for a government of their own choice.
3. Senate Resolve No. 259—December 12, 1919—requesting the State Department to furnish Senate with information as to the existence and execution of pogroms against the Jewish race in Ukrainia.
4. Senate Resolve No. 106—August 8, 1919—calling for investigation of outrages upon citizens of the United States in Mexico.

GOOD-NEIGHBOR POLICY

We are told that America cannot intercede and that what takes place in Mexico is of no concern to Americans. We continue to hear much concerning the policy of "the good neighbor" in relation to our affairs with Mexico and we should cease our efforts to influence the foreign policy of our Government. With precedent to support my contentions, the policy of "the good neighbor" offers an ideal avenue for intercession by the United States in behalf of men of all creeds, in Mexico, that they may be released from the satanic code under which they find themselves. The "good neighbor" policy is sound and applicable to the situation existing in Mexico, but a challenge of greater magnitude is at hand; that challenge subordinates the "good neighbor" policy to the duty of our Government to protect the property of its citizens, which in this case is being confiscated by the Mexican Government. Our "good neighbor" policy for almost 100 years (1841) has on numerous occasions been extended to protect persons, even not Americans, from religious persecution. These intercessions have been done in accord with the principle of "the good neighbor."

To the everlasting credit of the noble Jewish race in America it can be said that because of their forcefulness and organization they have on numerous occasions received from our Government the exercise of its mighty influence in behalf of their persecuted brethren in foreign lands.

EIGHT UNITED STATES SENATORS SPEAK ON RELIGIOUS PERSECUTION IN GERMANY

Since this was a just and proper exercise of the resources of both diplomacy and statesmanship, I am in hearty accord with every movement that aims to enlist the influence of our Government in a humane cause, and I am at a loss to understand why this principle cannot be consistently applied now. It was fitting and proper for the representatives of our Government in the Senate of the United States 2 years ago to express their disapproval of the policy of Hitler toward Jewish men and women in Germany. With your permission, Mr. Speaker, I shall submit excerpts from the speeches—reference, CONGRESSIONAL RECORD, June 10, 1933, pages 5538–5540, 5589–5598—of various Senators on that occasion. It should be noticed that this senatorial protest was led and inspired by the leader of the Democratic majority, Senator ROBINSON, of Arkansas:

Making due allowance for the exaggeration and misrepresentation which inevitably color reports of cruel incidents, there appears conclusive evidence that the Nazi administration has startled and shocked mankind by the severe policies enforced against Jews—even those of only part blood.

The evidence to which reference is made is found (1) in addresses delivered by German officials, including Chancelor Hitler and his Minister of Propaganda, Dr. Goebbels; (2) in the editorial policies of many newspapers; (3) in the remarks of speakers to mass meetings of German citizens; (4) in Nazi songs; and (5) in the legislative and administrative political program.

Senator METCALF, of Rhode Island:

There is no nation on earth which can afford to lose the faith and respect of other nations. Granted that peace and progress are dependent upon tolerance and understanding among peoples of the world, we as a nation can only declare the existence of racial and religious prejudice to be untenable with the international ideal. Aggressive action based upon religious or racial prejudice on the part of any government must necessarily become a matter of world concern.

A violation of the doctrine of religious freedom in any part of the world is a blow at the ideal that all Americans have sought to perpetuate.

As a consequence of these things the United States should view with grave concern the racial persecution apparent in Germany and should raise its voice in protest. Only with universal tolerance and understanding among all people of the world can civilization hope to establish and perpetuate a universal community of peace and good will.

Senator COPELAND, of New York:

I am glad the Senator from Arkansas [Mr. ROBINSON] has seen fit to enlighten us as he has, and to make the statement that he did. I know that what he has said this morning will put hope and joy into many, many hearts in the State of New York and throughout our country.

It was because of my earnestness in this particular matter that I desired in connection with the statements which have been made by the Senator from Arkansas and the Senator from Rhode Island, to say just this word in tribute to the Jewish population of our country.

Senator WALSH, of Massachusetts:

The Senator from Arkansas [Mr. ROBINSON] has interpreted concisely and eloquently my own sentiments, and, I believe, the

sentiments of all Senators, in his plea for the liberation from persecution of the Jewish people in Germany.

Let it be known far and wide that the Jewish people who are the victims of the present wave of intolerance in Germany have the unmistakable support and sympathy of all Americans. The men and women of Jewish faith in America, have, with commendable unanimity, been deeply stirred by the startling reports that have come to them from their brethren across the Atlantic, and their plea for freedom is supported by every class and group of our citizens.

There is no need of reiterating the facts that the Senator from Arkansas and others have expressed. The record is one of cruelty, shocking to all lovers of racial and religious freedom. Let us hope that the sentiments of sympathy and support, so unanimously entertained here in the Senate and throughout America, and the promulgation of these views through diplomatic channels, will result in the awakening of the present German Government to the necessity and importance of restoring equality of opportunity and political freedom to the Jews of Germany.

Senator Hatfield, of West Virginia:

I desire to join the distinguished Senator from Arkansas, the distinguished Senator from Rhode Island, and the distinguished Senator from Massachusetts in paying a tribute to the Jewish people. The Jew has always been a patriot to the land that gave him birth.

Senator TYDINGS, of Maryland:

Mr. President, for just a moment I would like to say that the speech made by the Democratic leader today concerning the treatment of the Jews in Germany was a splendid presentation in a very tolerant and proper way. I heartily endorse every word that he said.

I recall that when Thomas Jefferson, the founder of the Democratic Party, died he requested that there be three things placed upon his tombstone:

"That he was the author of the Declaration of Independence; that he was the father of the statute for religious freedom in the State of Virginia; that he was the founder of the University of Virginia."

He had been President of the United States, Vice President of the United States, and Ambassador to France; but he wrote his record in things that would promote human progress.

As a Democrat, an American citizen, and a Senator from Maryland, I, too, want to join in respectful protest against the treatment of the Jews, and utter a word of sympathy for the Jews at this time when they are victims of intolerance.

I want to thank the Senator from North Carolina for giving me this brief moment to endorse most heartily the splendid sentiments expressed by the Senator from Arkansas.

Senator LEWIS, of Illinois:

Mr. President, I rose merely that I might join with the sentiment of the Senator from Maryland in giving endorsement to the classic utterance and eloquent oration of the Senator from Arkansas upon the subject of the individual liberty of the man.

It will please all of us to hear and to know that the administration has received assurance that whatever has been transpiring from any quarter that worked an injustice or oppression to the Jewish people has ceased by the orders of those in charge and control of government in Germany, and that there will be a continuance and complete supervision and observance in every form that hereafter, whatever one friendly nation might say to another friendly nation, everything will be done to insure security of life, the protection of property, and religious freedom of the Jewish citizens resident in Germany or anywhere else where the United States may have an appropriate voice to enforce it.

Senator WAGNER, of New York:

Mr. President, the majority leader of the Senate has again given evidence of his splendid judgment in raising today on the floor of the Senate the question of religious intolerance and discrimination against the Jewish people in Germany. True enough, these are the closing hours of an emergency session of Congress, but I am in full accord with the Senator from Arkansas in his judgment that the establishment of tolerance and religious liberty is a matter of the utmost emergency and deserves thorough consideration by this body before it adjourns.

The emergence of this destructive spirit is of concern not only to the Jewish people; it is a menace not only to the German people, but it threatens to blot out every hope of mankind, for the disrupting force of prejudice spreads on the wings of the wind and blights every spot of ground over which it sweeps. If not checked at an early stage, its consequences are too horrible for contemplation.

Shall we again reap the hellish harvest of human hate? Is the shameful record of man's folly to be lengthened? I cannot believe that the liberty-loving, peace-loving people of the world will tolerate it.

I appeal to the people of America and to the conscience of mankind. I do not ask anyone to meet force with force, or to meet hatred and prejudice with more hatred and more prejudice. At the same time, we must leave no doubt of our utter disapproval of the policy now being pursued in Germany.

I am not defending a creed or a race. Neither Judaism nor Germanism is the issue; the sacredness of human life and ideals is the issue. The peace of the world is at stake.

The world cannot recover so long as discord and hatred are poisoning the springs of human activity. Our only hope lies in cementing bonds of friendship and in building the progress of mankind upon the nobility of man, regardless of race or creed.

THE CONTRAST BETWEEN JUNE 10, 1933, AND JUNE 10, 1935

The tribute paid the Jewish race by these statesmen was warranted by the long generations of loyalty and patriotism of the race to America. It was equally proper for Members of the Senate to warn the German Government that their practices of religious intolerance could not command the respect of Americans. If such utterances were made (and I should like to assume they were) in good faith, on the occasion of an outburst of intolerance by Hitler, answer if you will, Mr. Speaker, why these liberals in the Senate have not raised their voice in protest at the intolerance of the present Mexican Government?

Two years ago today, Mr. Chairman, at this very hour, eight United States Senators, obviously with administration support and led by the leader of the Democratic majority, rose to voice indignant protest against a persecution that cannot compare in atrocity or in duration with the savage attack on God in Mexico. Can you point to one speech in the Senate in 20 years on this subject? Why should there be silence and this discrimination?

A CONTRAST IN AMBASSADORS

It is easy to contemplate the outburst of indignation and the personal consequences that would ensue were the American Ambassador to Germany to accord such aid and comfort to the Hitler regime as that which Ambassador Daniels has given and continues to give to the Calles dictatorship in Mexico. Ambassador Dodd, our envoy to Berlin, far from maintaining silence on happenings under Hitler's administration, took occasion, in the most pointed manner, to lecture the German Government, not from the vantage point of a foreign platform, but upon the very soil of Germany. Our State Department maintains a sublime composure in the face of the religious intolerance and confiscation of the property of Americans at our very door under the direction of Beelzebub's proconsul, Plutarco Calles. Not alone has our Government refused to do what eight former Presidents and Secretaries of State have done on previous occasions in behalf of oppressed peoples of other lands, but we have permitted our Ambassador to Mexico, Josephus Daniels, to hearten and encourage Calles by public addresses and private assurances.

It is a well-recognized principle of the law of nations that when one nation conducts its internal affairs in such a manner as to injure the tranquility of another nation, strong official representations may be made to the offending government. If there be any doubt, Mr. Speaker, that the tranquility of 50,000,000 Christians and Jews has been disturbed by the intolerance of the Mexican Government, let them read the religious press. The American Christian and Jew have an incontestable right to expect and require their government in pursuance of the policy of the "good neighbor" to intercede for the oppressed and persecuted Mexicans, among whose coreligionists are found one-half of the total population of the United States.

AMERICANS DEMAND STATESMANSHIP AND DIPLOMACY

I have tried, Mr. Chairman, in the time allotted to me to present to my colleagues a case based upon facts of the savage endeavor that is being made right at our doors in this the twentieth century to crush out every vestige of human liberty, ever scintilla of individual rights. It is the greatest issue of our day; a militant, organized attack on the God of all religions. It makes no difference what religion you possess or what walk of life you follow, the sabotage of human rights in Mexico should produce a reaction of horror in every decent American who knows of them.

The wave of communism that during the past 7 years has brought disaster and chaos and a succession of bloody massacres in the Provinces of China is now firmly entrenched in our Western Hemisphere attempting to take complete possession of Mexico, standing as a menace at the threshold of America. History relates that when Carthage, the hereditary enemy of Rome, lifted her head in pride, Cato in the

Roman Senate never ceased to cry, "Carthage delenda est—Carthage must be destroyed." His persistent demands bore fruit and Carthage was destroyed. We Americans continue to regard the approach of communism with indifference, as though the United States of America was too secure in her prosperity and supremacy among the other nations to ever fall a victim to communism.

PRESIDENTIAL RESPONSIBILITY

The duty is plainly upon the President of the United States to speak his disapproval of the barbarous policies of the present Mexican Government and thus protect the lives and property of Americans and reiterate the doctrine of human rights that has been so eloquently expressed by many of his predecessors in office under similar circumstances to those that exist in Mexico today. There are critical moments in the slow, upward progress of civilization and in the history of the defense of human rights when "silence is not neutrality, but consent." I for one, Mr. Speaker, believe that, in the words of Lincoln, "the true liberal is concerned about the cause of liberty everywhere." And he who regards with equanimity the spectacle of his good neighbor in slavery is soon apt to find that chains are being forged in order to form a prison house for his own life, liberty, and happiness. I repeat, Mr. Speaker, that in the present instance "silence is not neutrality, but consent."

The CHAIRMAN. All time has expired. Without objection, the Clerk will read the committee amendment in lieu of the bill.

There being no objection, the Clerk read the committee amendment, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That section 23 of the act entitled "An act to control the manufacture, transportation, possession, and sale of alcoholic beverages in the District of Columbia", approved January 24, 1934, as amended, is amended by adding at the end thereof a new subsection to be lettered (k) and to read as follows:

"(k) In order to insure the collection of taxes and revenue as provided in this act, it shall hereafter be unlawful for any person to transport, import, bring, or have delivered, directly or indirectly, into the District of Columbia, alcoholic beverages aggregating more than 12 quarts during any calendar month: *Provided, however,* That this subsection shall not apply to dealers licensed hereunder or apply to the transportation, importation, or bringing into the District of Columbia for, or delivery to, such dealers."

SEC. 2. Section 13 of the said act is amended by adding at the end thereof a new sentence, such new sentence to read as follows: "No holder of a retailer's license class A or class B shall keep such premises open for business at a time when the sale of alcoholic beverages by such licensee is prohibited by this act or the regulations promulgated hereunder."

This section of this amendatory act shall not become effective until February 1, 1936.

SEC. 3. Subsections (g) and (h) of section 11 are amended by adding at the end of the first paragraph of code the following: "All alcoholic beverages offered for sale or sold by the holder of such licenses may be displayed and dispensed in full sight of the purchaser.'

SEC. 4. Subsection (h) of section 11 is amended by adding at the end of the first paragraph thereof a new sentence, the new sentence to read as follows: "No beverages shall be kept, mixed, or prepared for service in the space in which beverages are sold or served, except at a service bar, table, or counter, which is hereby permitted. Such service bar, table, or counter shall either (1) be surrounded or partly surrounded by a railing or other obstruction removed from such service bar, table, or counter at least 3 feet and of such a character as to indicate to a customer that he is not to pass or go within such railing or other obstruction, and a customer shall not be permitted to approach such bar, table, or counter within such railing or other obstruction, or (2) be equipped with a contrivance made of glass, wood, metal, or other material, solid for a height of at least 12 inches, in which may be placed openings for service to waiters, which said contrivance shall be affixed to the front and sides of such service bar, table, or counter accessible to customers. Such service bar, table, or counter shall not be used as a drinking bar and shall remain stationary while such space is being used for the service of customers."

Mr. PALMISANO. Mr. Chairman, I offer an amendment to the committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. PALMISANO: On page 4, line 23, strike out the section.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word, for the purpose of asking the gentleman to explain the amendment.

Mr. PALMISANO. Mr. Chairman, the amendment strikes out section 4 of the committee amendment, which requires a 3-foot bar so that you cannot get anywhere near the attendant of the bar. Originally the committee eliminated this section, but somehow or other in the rush it got in anyway. This simply strikes out that section.

Mr. WADSWORTH. This is the section, as I understand it, that in effect provides that the place at which liquors are mixed or served, to be consumed on the premises, must be open to the view of the customers?

Mr. PALMISANO. Yes; but it says there must be a rail around the bar so you cannot get near the bar.

Mr. WADSWORTH. Is that to keep the customers away?

Mr. PALMISANO. The gentleman is speaking of the open bar? This does not prevent that. This section got in there by mistake.

Mr. WOOD. Will the gentleman's amendment strike out section 4 in its entirety?

Mr. PALMISANO. Yes.

The CHAIRMAN. The question is on the amendment to the committee amendment offered by the gentleman from Maryland.

The amendment to the committee amendment was agreed to.

Mr. WOOD. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOOD: On page 4, lines 9 to 17, inclusive, strike out section 2 of the committee amendment.

Mr. WOOD. Mr. Chairman, I can see no good reason for section 2, but I can see a great deal of danger that may follow from the enactment of this regulation. I do not think we ought to give either the liquor stores or the Liquor Trust a monopoly in the sale of intoxicating liquors. I am heartily in favor of the remainder of the bill because I do not believe it corrupts the morals of any man who desires a drink if he watches the bartender or the drink dispenser mix the drink. I do not think it is necessary for the bartender or the drink dispenser to dodge back into a little secluded place to mix this drink and then serve it afterward, and the customer not know what goes into the drink. However, I doubt seriously the advisability of section 2, and, as I said, I hope we will not allow the liquor interests to inject this type of legislation into our liquor regulations or the laws of the various States.

Mr. Chairman, I am not in anywise attempting to impugn the motives of those who have presented this bill or those who favor it, but I do believe they do not see the danger of compelling drug stores, grocery stores, and other establishments to close at the same time as the liquor stores close. Of course, this means that no drug store, no grocery store, or any other general retail establishment will be able to handle liquor. It will give the liquor stores an absolute monopoly on bottled goods, or liquor sold in containers.

It is a well-known fact that these large distilleries have thousands of liquor stores throughout the United States. They get some man to open a liquor store and attach his name to it and he gets a license, but the real ownership of the store is vested in one of the four large distilleries that distill almost all the liquor sold in the United States.

I hope the acting chairman of the committee will accept the amendment, because I want to vote for the bill. I want to eliminate these little places that the bartender or the dispenser of liquor has to dodge around in order to mix a drink. I think it is preposterous to have such a regulation. The section ought to be eliminated and we ought not to give these liquor stores an entire monopoly on the sale of liquor. [Applause.]

Mr. PALMISANO. Mr. Chairman, I hope the committee will not adopt this amendment.

It is ridiculous to state that some individual drug store, by being permitted to have a license, is going to endanger and put out of business this great monopoly of liquor distilleries. If there is a monopoly no individual drug store or group of drug stores is going to bring about any such

results. Such a distillery can come into the District of Columbia and under a disguise have its employees open up a liquor store or a drug store and undersell any man who attempts to go into the business. There is no danger that they are going to have any more of a monopoly than they have today. We tried to prevent any monopoly when the bill was first introduced and I helped to pass it in this House. At that time we tried to prevent a monopoly by prohibiting any one man or any one corporation or group from having more than one license, in order to spread it out among the various people of the District.

I say that we should put out of business any man who violates the law. Let these druggists or these grocers say, "Put in the bill an amendment that if we violate the liquor laws we are to go out of business in the District of Columbia in the distribution of medicine or anything else." They will not dare to do this. I was willing to put in such an amendment to protect them in that respect if they would accept it and if my colleague will offer an amendment that anyone who violates the liquor license law is prohibited from going into business in this District that requires a license, I will accept it.

I want to prevent the return of prohibition, the thing we were fighting to repeal for 15 years, and I say the only way we can prevent its coming back is by preventing the licensees from violating the law. When you do this there will be no danger.

[Here the gavel fell.]

Mr. DOCKWEILER. Mr. Chairman, I move to strike out the last word of the committee amendment.

Mr. Chairman, I am one of those who before I was sent to Congress fought for the repeal of prohibition. We have very short memories. I think during the period when we had the strictest prohibition laws, when repeal was farthest from us, when the eighteenth amendment was in effect, the only institution in this country that we regarded as being entitled to dispense and sell alcoholic beverages was the drug store. Clearly, the committee's amendment with this provision intends to prohibit the drug store from being a dispensary of alcoholic beverages.

Mr. Chairman, as I see this provision it plays directly into the hands of the liquor business in this country. It is a premeditated act. Whether the committee knows it or not, and I do not impugn their motives, it is premeditatedly intended to play into one channel—the liquor business of this country.

Mr. Chairman, the amendment to strike out this provision should carry. Let me tell you that we will have a return of prohibition, the like of which we have never experienced, if we continue to pass laws to hedge in and place conditions upon the sale of alcoholic beverages; if we begin to eliminate this store and this institution from its sale until we have narrowed it down, as was the case before prohibition, to certain types of stores and certain great trusts in this country.

You make a mistake by saying certain institutions cannot sell liquor at this time, because when you do this you make a mystery of liquor. Why, in my great State of California, anybody with the price of $5, whether it is a grocery store, a florist shop, or drug store, or liquor store, or dry-goods store, or any other kind of shop, can sell alcoholic beverages, and this is a condition that should prevail throughout the United States. If you make a mystery of this thing and set it up as something terrible and something inimical per se, of course, we will return to the old situation.

Mr. WOOD. Mr. Chairman, will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. WOOD. Is it not just possible that if we pass this law with section 2 in it, eventually we will have another bill in here providing for the elimination of liquor stores and providing that the saloons only may handle the bottled goods and the drinks?

Mr. DOCKWEILER. Absolutely; and if we have any memory about this thing we will realize that we are going right back to the old era.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was agreed to.

The CHAIRMAN. The question is on the adoption of the committee amendment as amended.

Mr. WADSWORTH. Mr. Chairman, I offer the following amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. WADSWORTH: Page 3, line 24, strike out lines 24 and 25 and on page 4, strike out lines 1 to 8, inclusive.

Mr. WADSWORTH. Mr. Chairman, this provision in the committee amendment is not calculated to have any special effect upon adherence to law. It has nothing to do with the cause of temperance and has nothing to do with an effort to control the per capita consumption of alcoholic beverages. Its effect is to forbid any person bringing into the District of Columbia, for his own use, more than 12 bottles of any alcoholic beverage per month. As I read it, that is the effect. I suppose the object is to compel, so far as possible, every person living in the District to make his purchases from dealers in the District. I can see no other purpose in this provision, unless I am mistaken in the reading of the language.

Mr. PALMISANO. Mr. Chairman, will the gentleman yield?

Mr. WADSWORTH. Yes.

Mr. PALMISANO. The gentleman understands that in the District as in the States, there is a special tax?

Mr. WADSWORTH. Yes.

Mr. PALMISANO. Its purpose is to protect that tax.

Mr. WADSWORTH. True, but are we going to be provincial about this thing? It might be said that this amendment proposes a partially effective tariff against the importation of liquors into the District by private individuals for their own use. I doubt very much whether any such provision can be enforced with any degree of success, and if there is one thing I dread in connection with any law regulating the liquor traffic it is a provision which cannot be enforced and which brings contempt upon the law itself and encourages violations in other ways. Under this provision no person can bring from his own home or from elsewhere outside of the District 2 cases of beer or 2 cases of wine for his own use in the District. It seems to me that we are going pretty far in erecting barriers of that kind around the borders of the District of Columbia. What would be said if the State of New York passed a law of that kind through its Albany Legislature? Would it be contended the State was thus cooperating with other States in the enforcement of liquor laws? Not at all. It would be said that the State of New York was endeavoring to compel as many of its 12,000,000 inhabitants as possible to purchase all their requirements inside the State borders in order to favor the State wine-producing industry. Surely we are not going to put the District of Columbia in such an attitude as that toward all the other States in the Union.

Mr. MORITZ. But the State of New York is entirely different from the District of Columbia. Can the gentleman conceive any individual hauling in two cases of beer for private consumption? Only trucks will haul beer. The gentleman would not haul in two cases of beer, would he, from outside the District?

Mr. WADSWORTH. Why not?

Mr. MORITZ. Why would the gentleman? What occasion would there be for that?

Mr. WADSWORTH. The principal purpose would be to consume it after I got it here.

Mr. MORITZ. But the gentleman could buy it right here.

Mr. WADSWORTH. But I might not be able to get the kind I like, nor to get it as cheaply.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. PALMISANO. Mr. Chairman, I ask unanimous consent that the gentleman have 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PALMISANO. And may I say that in Maryland, and I think in various States of the Union, they have placed a

tax on liquor other than a Federal tax, and they have a certain prohibition against liquor—not so much pertaining to beer as to liquor. It is to prevent the bootlegging of liquor and the evading of the tax. That is the purpose of this amendment. I have no interest in it. I would not for one minute want to prohibit cases of beer being brought in.

Mr. WADSWORTH. But does not this amendment do it?

Mr. PALMISANO. I am quite willing to correct that. But I do feel that bringing more than 12 quarts of liquor in should be prohibited. It reminds me of the time when I was at Annapolis 20 years ago. Representatives from my colleague's dry district on the Eastern Shore of Maryland insisted in that dry district that they be permitted to have a gallon of liquor a month. Here you are permitting 3 gallons a month to any one individual. We want to prevent bootlegging of liquor, not beer. If you simply say beer or ale, it is all right.

Mr. WADSWORTH. Mr. Chairman, in reply to the question of the gentleman from Maryland, let me make this observation, and I think I am correct in it. If not, I shall be glad to be corrected.

Have we not already a law upon the statute books which puts the Federal power back of the prohibition of transportation of illegal liquor in interstate commerce?

Mr. PALMISANO. Yes.

Mr. WADSWORTH. Does that not suffice to meet the question raised by the gentleman from Maryland? We do not add anything to law enforcement in the existing field by a provision of this kind. We already have the Webb-Kenyon Act.

Mr. PALMISANO. No; that would not apply here. They are permitted to sell liquor in the District of Columbia, as long as liquor is imported with the Federal tax paid.

Mr. WADSWORTH. True. I am in error about the Webb-Kenyon Act, but is it not in violation of present law for an individual to purchase bootleg liquor in the State of Maryland, for instance, and take it anywhere?

Mr. PALMISANO. Not necessarily bootleg liquor, but legal liquor.

Mr. WADSWORTH. But the gentleman says this is to stop bootlegging.

Mr. PALMISANO. But they can bring in legal liquor without paying the District tax.

Mr. WADSWORTH. The gentleman states that this applies to all liquor, both legal and illegal.

Mr. PALMISANO. Yes. I do not quite recall what the tax is in the District of Columbia, but there is a special tax on liquor. We are trying to see how much these dealers buy, in order to see that they pay their proper tax. It only applies to dealers. It does not apply to individuals, except that an individual is permitted 12 quarts a month, and I do not know any individual who wants to drink 3 gallons a month.

Mr. WADSWORTH. But the amendment does not read that way.

Mr. PALMISANO. If the gentleman will agree, I am willing to strike out the provision against beer.

Mr. NICHOLS. Will the gentleman yield?

Mr. WADSWORTH. I yield.

Mr. NICHOLS. Since it is the statement of the chairman that the only purpose of leaving this in the bill would be to protect the District of Columbia in the collection of a tax on liquor that would be brought in here by individuals, and that is the only excuse for having it in, I will ask the gentleman if in his opinion it would not cost the District many times more than the money they would lose from the noncollection of the tax, to set up the machinery sufficient to prevent individuals from bringing in the liquor?

Mr. WADSWORTH. Of course it would. We would have to search the automobiles, the baggage, and the personal effects of all people coming into the District of Columbia to ascertain whether they are bringing in more than the amount allowed.

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

The question is on agreeing to the amendment offered by the gentleman from New York to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The question now recurs on the adoption of the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. PALMISANO. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 5809, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. PALMISANO. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. KENNEY. Mr. Speaker, my colleague from New Jersey, Mrs. NORTON, Chairman of the Committee on the District of Columbia, desired to be present today in connection with this legislation that has been passed. However, she made an engagement some months ago and today she was unavoidably detained, making a commencement address at Seaton College, Pa.

Mr. PALMISANO. Mr. Speaker, I call up the bill H. R. 3806, and I ask unanimous consent that the same be considered in the House as in the Committee of the Whole.

Mr. SMITH of Virginia. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. Will the gentleman withhold his point of order for a moment?

Mr. SMITH of Virginia. I will withhold it for a moment.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. MITCHELL of Illinois, for 4 legislative days, on account of important business.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 288. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 209. An act for the relief of Carmine Sforza;

S. 1305. An act to further extend relief to water users on United States reclamation projects and on Indian irrigation projects; and

S. 2536. An act providing for the suspension of annual assessment work on mining claims held by location in the United States.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H. R. 3973. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1936, and for other purposes; and

H. J. Res. 288. Joint resolution authorizing the Secretary of Agriculture to pay necessary expenses of assemblages of the 4-H clubs, and for other purposes.

ADJOURNMENT

Mr. PALMISANO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 55 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 11, 1935, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, Executive communications were taken from the Speaker's table and referred as follows:

380. A communication from the President of the United States, transmitting two deficiency estimates of appropriations submitted by the War Department to pay claims of the Wharton & Northern Railroad Co., $117.10, and Carlos M. Aquino, $23.60, certified by the Comptroller General of the United States and requiring appropriations for their payment (H. Doc. No. 226); to the Committee on Appropriations and ordered to be printed.

381. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated June 5, 1935, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of area at mouth of Pocomoke River, Worcester County, Md., known as "The Muds", authorized by the River and Harbor Act, approved July 3, 1930 (H. Doc. 227); to the Committee on Rivers and Harbors and ordered to be printed with three illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 7626. A bill to dispose of Federal building sites to States, municipalities, counties, or other civil divisions; with amendment (Rept. No. 1140). Referred to the Committee of the Whole House on the state of the Union.

Mr. CONNERY: Committee on Labor. S. 1958. An act to promote equality of bargaining power between employers and employees, to diminish the causes of labor disputes, to create a National Labor Relations Board, and for other purposes; with amendment (Rept. No. 1147). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8421. A bill granting pensions to certain widows of soldiers and sailors of the Civil War; without amendment (Rept. No. 1141). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8422. A bill granting pensions to certain former widows of soldiers and sailors of the Civil War; without amendment (Rept. No. 1142). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8423. A bill granting increase of pensions to certain former widows of soldiers and sailors of the Civil War; without amendment (Rept. No. 1143). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8424. A bill granting increase of pensions to certain widows of soldiers and sailors of the Civil War; without amendment (Rept. No. 1144). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8425. A bill granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War; without amendment (Rept. No. 1145). Referred to the Committee of the Whole House.

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 8426. A bill granting pensions to certain soldiers of the Civil War; without amendment (Rept. No. 1146). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 1833. A bill for the relief of Lettie Leverett; with amendment (Rept. No. 1148). Referred to the Committee of the Whole House.

Mr. SEGER: Committee on Claims. H. R. 2119. A bill for the relief of Mrs. E. L. Babcock, mother and guardian of Nelson Babcock, a minor; with amendment (Rept. No. 1149). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 2430. A bill for the relief of Henry H. Carr; Robert E. Wise, Stanley Wise Ellis, and Peyton L. Ellis; and Hilory Wise and Flora A. Wise; with amendment (Rept. No. 1150). Referred to the Committee of the Whole House.

Mr. LUCAS: Committee on Claims. H. R. 3179. A bill for the relief of Jesse Ashby; without amendment (Rept. No. 1151). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 4568. A bill for the relief of Forrest D. Stout; with amendment (Rept. No. 1152). Referred to the Committee of the Whole House.

Mr. DICKSTEIN: Committee on Claims. H. R. 5178. A bill for the relief of Gladys E. Faughnan, guardian; with amendment (Rept. No. 1153). Referred to the Committee of the Whole House.

Mr. McGEHEE: Committee on Claims. H. R. 5347. A bill for relief of Bertha Moseley Bottoms; with amendment (Rept. No. 1154). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 5351. A bill for the relief of Rose Teiermeyer; with amendment (Rept. No. 1155). Referred to the Committee of the Whole House.

Mr. NICHOLS: Committee on Claims. H. R. 5863. A bill for the relief of Lewis Worthy and Dennis O. Penn; without amendment (Rept. No. 1156). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 6105. A bill for the relief of the New Amsterdam Casualty Co.; with amendment (Rept. No. 1157). Referred to the Committee of the Whole House.

Mr. RYAN: Committee on Claims. H. R. 6168. A bill for the relief of Charles K. Shade; without amendment (Rept. No. 1158). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 6822. A bill for the relief of the George C. Mansfield Co. and George D. Mansfield; with amendment (Rept. No. 1159). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 6886. A bill for the relief of certain disbursing officers of the Army of the United States; without amendment (Rept. No. 1160). Referred to the Committee of the Whole House.

Mr. EKWALL: Committee on Claims. H. R. 7137. A bill for the relief of Cassie M. Lyne; with amendment (Rept. No. 1161). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FISH: A bill (H. R. 8427) to establish a Federal Farm Board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce; to the Committee on Agriculture.

By Mr. GASQUE: A bill (H. R. 8428) to provide for the acquisition of certain land within the District of Columbia

and the establishment and operation of a municipal airport thereon; to the Committee on the District of Columbia.

By Mr. NICHOLS: A bill (H. R. 8429) amending section 5 of Public Law No. 264, Seventy-third Congress, approved May 29, 1934, relative to the appointment of Naval Academy graduates as ensigns in the Navy; to the Committee on Naval Affairs.

By Mr. BLOOM: A bill (H. R. 8430) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in kindergarten education; to the Committee on Education.

By Mr. DEEN: A bill (H. R. 8431) to provide for the establishment of the Fort Frederica National Monument, at St. Simon Island, Ga., and for other purposes; to the Committee on the Public Lands.

By Mr. STEAGALL: Joint resolution (H. J. Res. 318) to extend from June 16, 1935, to June 16, 1938, the period within which loans made prior to June 16, 1933, to executive officers of member banks of the Federal Reserve System may be renewed or extended; to the Committee on Banking and Currency.

By Mr. CROSSER: Joint resolution (H. J. Res. 319) extending the effective period of the Emergency Railroad Transportation Act, 1933; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. UNDERWOOD: A bill (H. R. 8421) granting pensions to certain widows of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8422) granting pensions to certain former widows of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8423) granting increase of pensions to certain former widows of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8424) granting increase of pensions to certain widows of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8425) granting pensions and increase of pensions to certain helpless and dependent children of soldiers and sailors of the Civil War; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8426) granting pensions to certain soldiers of the Civil War; to the Committee on Invalid Pensions.

By Mr. BLOOM: A bill (H. R. 8432) for the relief of Walter Heide Smith; to the Committee on Naval Affairs.

By Mr. EKWALL: A bill (H. R. 8433) for the relief of Jess C. Layton; to the Committee on Military Affairs.

By Mr. GWYNNE: A bill (H. R. 8434) authorizing the redemption by the United States Treasury of certain documentary revenue stamps now held by L. J. Powers; to the Committee on Claims.

By Mr. GEARHART: A bill (H. R. 8435) for the relief of Emil Zumbrunn; to the Committee on World War Veterans' Legislation.

By Mr. HOFFMAN: A bill (H. R. 8436) granting a pension to Jessie Farr; to the Committee on Invalid Pensions.

By Mr. LUCKEY: A bill (H. R. 8437) to provide for the issuance of a license to practice the healing art in the District of Columbia to Dr. Arthur B. Walker; to the Committee on the District of Columbia.

By Mr. McLEOD: A bill (H. R. 8438) granting a pension to George Austin; to the Committee on Pensions.

By Mr. SCRUGHAM: A bill (H. R. 8439) to authorize the presentation to J. E. Martie of a Congressional Medal of Honor; to the Committee on Military Affairs.

By Mr. TONRY: A bill (H. R. 8440) conferring jurisdiction upon the United States District Court for the Eastern District of New York to hear, determine, and render judgment upon the claims of Achille Ratallato and Albert Ratallato; to the Committee on Claims.

By Mr. WILLIAMS: A bill (H. R. 8441) granting a pension to Mary M. Norris; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8781. By Mr. BELL: Petition of Kansas City voters, protesting the enactment of the Guffey coal-regulation bill; to the Committee on Labor.

8782. By Mr. CROSSER: Petition of approximately 300 citizens of Cuyahoga County, Ohio, urging favorable action on House Joint Resolution 219 and Senate Joint Resolution 112; to the Committee on Interstate and Foreign Commerce.

8783. By Mr. JOHNSON of Texas: Petition of Hon. F. A. Woods, of Franklin, Tex., favoring Federal regulation of trucks and busses; to the Committee on Interstate and Foreign Commerce.

8784. By Mr. LAMBERTSON: Petition signed by Raymond McElroy and other citizens of Horton, Kans., asking the support of the Wagner disputes bill; to the Committee on Labor.

8785. By Mr. LESINSKI: Resolution of the General Committee of Immigrant Aid at Ellis Island, respectfully urging the Members of the House of Representatives to speedily enact the Kerr bill (H. R. 8163); to the Committee on Immigration and Naturalization.

8786. Also, House Resolution No. 98 of the Michigan Legislature, urging the enactment of the Guffey stabilization coal bill (S. 2481); to the Committee on Ways and Means.

8787. Also, Senate Joint Resolution No. 12 of the California State Legislature, memorializing the President and the Congress of the United States to enact House bill 4688; to the Committee on Labor.

8788. Also, memorial of the Common Council of the Village of Houghton, Mich., urging the enactment of the Hook copper embargo bill, providing for an embargo or an adequate tariff on the importation of foreign copper; to the Committee on Ways and Means.

8789. Also, joint resolution of the California State Legislature, memorializing Congress to enact the Tolan bill (H. R. 6628); to the Committee on Labor.

8790. By Mr. PFEIFER: Petition of the Van Iderstine Co., Long Island City, N. Y., concerning Senate bill 3004; to the Committee on Labor.

8791. Also, petition of the Rockwood & Co., Brooklyn, N. Y., concerning amendment to section 301 of chapter III of Senate bill 5; to the Committee on Labor.

8792. Also, petition of the General Committee of Immigrant Aid at Ellis Island and New York Harbor, N. Y., concerning the Kerr bill (H. R. 8163); to the Committee on Immigration and Naturalization.

8793. Also, petition of the National Council of Jewish Women, Inc., Brooklyn, N. Y., urging support of House bill 8163; to the Committee on Immigration and Naturalization.

8794. By Mr. TREADWAY: Resolutions adopted by the General Court of Massachusetts, relating to the use of granite in the construction of public buildings; to the committee on Public Buildings and Grounds.

8795. Also, resolutions adopted by the General Court of Massachusetts, requesting aid for the American watch industry; to the Committee on Ways and Means.

8796. By Mr. WELCH: California State Senate Joint Resolution No. 21, relating to exemption from taxation of bonds issued by governmental agencies, and memorializing the President and Congress of the United States to take immediate steps for the termination of the exemption of such securities from taxation; to the Committee on Ways and Means.

8797. By the SPEAKER: Petition of the Bedford Pomona Grange; to the Committee on Interstate and Foreign Commerce.